

# SECURITIES AND EXCHANGE COMMISSION

## FORM N-30D

Initial annual and semi-annual reports mailed to investment company shareholders pursuant to Rule 30e-1 (other than those required to be submitted as part of Form NCSR)

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### FILER

#### ROBERTSON STEPHENS INVESTMENT TRUST

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Semiannual Report

<TABLE>  
<S><C>

[GRAPHIC]	[GRAPHIC]	[GRAPHIC]	
The Contrarian Fund-TM-	Diversified Growth Fund	Emerging Growth Fund	
[GRAPHIC]	[GRAPHIC]	[GRAPHIC]	
Global Natural Resources Fund	Global Value Fund	The Information Age Fund-TM-	
[GRAPHIC]	[GRAPHIC]	[GRAPHIC]	
MicroCap Growth Fund	MidCap Opportunities Fund	Partners Fund	Value + Growth Fund

</TABLE>

RS Funds

For the Six Months Ended  
June 30, 1999

[LETTERHEAD]

1-800-766-3863

CURRENT INFORMATION

- Automated access to daily net asset values.  
OPTION 1
- Knowledgeable mutual fund representatives.  
OPTION 2

PORTFOLIO MANAGER HOTLINE

- Updated commentary on each of the funds from our portfolio managers. Accessible through our Web site or our toll free number.  
OPTION 5

[LOGO]

ON THE WEB  
[WWW.RSIM.COM](http://WWW.RSIM.COM)

MUTUAL FUND E-MAIL  
[FUNDS@RSIM.COM](mailto:FUNDS@RSIM.COM)

1-800-624-8025

ACCOUNTLINK

- Automated account information, 24 hours a day.

RS FUNDS

The Contrarian Fund-TM-

Diversified Growth Fund

Emerging Growth Fund

Global Natural Resources Fund

Global Value Fund

The Information Age Fund-TM-

MicroCap Growth Fund

MidCap Opportunities Fund

Partners Fund

Value + Growth Fund

[LOGO]

SEMIANNUAL REPORT

Dear Shareholder:

August 1999

[PHOTO]

I am pleased to report that RS Investment Management enjoyed an excellent first half as most of our funds exceeded their respective benchmarks and also did well on an absolute return basis. Moreover, on June 30, 1999, Morningstar awarded the RS Emerging Growth Fund (our oldest fund) a five star rating for its performance over the last ten years.\* Building an outstanding long-term performance record is what we work towards every day and thus achieving this award is very gratifying. At RS Investment Management, we emphasize long-term returns, in part because many of our funds invest in small- and mid-cap companies that have higher price volatility than large-cap companies. With these funds, it is normal from time to time for them to correct 20 to 25% during a quarter and then rebound in subsequent periods. Maintaining a long-term perspective is a key element to investment success--both for you and us.

Our buyout of RS Investment Management, which was completed February 28, has gone very smoothly. As discussed in previous communications, the final step in this transition occurred in early August. At that time, we changed all newspaper and investment publication listings from Robertson Stephens Funds to RS Funds. If you have not already done so, please make a note of this change.

You will notice we have included a new feature in this report--investment styleboxes for each fund. These are designed to make it easier for you to evaluate how our funds impact your overall investment portfolio. In addition, we are continually seeking out new ways to provide you timely information, and we believe the Internet is the ideal tool. For example, the managers' letters and performance statistics included in this report, have been available on our web site since they were completed, which is several weeks before you receive this printed version. This is due to the time it takes to print and mail these reports. If you would like to be automatically notified by e-mail of these types of postings, you may sign up by visiting our web site at [www.rsim.com](http://www.rsim.com). Additionally, if you have suggestions on how we can make our reports more useful to you, please e-mail me directly with your ideas.

As I look over our managers' letters, I cannot help but notice the numerous discussions of new business opportunities that are being created by new technologies and its impact on how we live in this world. The rate of new technology development is not slowing. Being located in the heart of the venture capital community in San Francisco gives us an inside look at these developments. The pace of venture capital activity is at record levels and accelerating. These new companies developing businesses in new markets should be very positive for investors in general and for active investors, like our firm in particular, in the years to come.

Thank you for your support as shareholders.

/s/ G. Randy Hecht

G. Randy Hecht  
CHAIRMAN & CEO

\* Overall Morningstar ranking out of 189 small-cap stock equity funds. Morningstar's proprietary risk-adjusted ratings reflect the Fund's 10-year historical performance through 6/30/99. The star ratings are recalculated monthly. If the fund scores in the top 10% of its broad investment category, it receives five stars (Highest); if it falls in the next 22.5%, it receives four stars.

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RS FUNDS

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SEMIANNUAL REPORT

THE CONTRARIAN FUND-TM-

	[GRAPHIC] Investment Style*		
	Large Cap Growth	Mid Cap Blend	Small Cap Value
FUND PHILOSOPHY			

SENIOR PORTFOLIO  
MANAGERS

Paul H. Stephens

Andrew P. Pilara, Jr.

Rick Barry

The Contrarian Fund-TM- seeks to achieve maximum long-term growth of capital by investing worldwide in growing companies that are attractively priced. The Fund invests on a global basis in an effort to make timely investments in new discovery ideas or in companies and industries that are neglected, unpopular or overlooked. When appropriate, the Fund will short sell stocks.

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FUND UPDATE

The Contrarian Fund-TM- had an excellent first half of the year, closing up 27.94%, and outperformed its primary benchmark, the MSCI AC World Index, (2) which closed up 12.34%. We have begun the climb back from our poor performance of 1997-1998. There is a lot more work to do, and I believe we are up to the task.

The initial results of our three-manager strategy have been very favorable. We have increased diversification within the Fund and reduced our volatility, but have not deviated from our contrarian style. We strive to be contrarian when it counts, with the potential to perform better than our competition in market declines. That will, of course, not always happen. Our unique ability to short gives us an advantage, versus most other mutual funds, in a declining market. In bull markets we will give up some performance because of our short positions, but in a bear market we would expect our shorts to help our performance.

Like everyone else, we are cognizant of the record high valuations and we are hedging with our short positions. We are "plain vanilla" hedgers--we do not use futures or options. We can be called fundamental short sellers. We short stocks with poor and deteriorating fundamentals.

Although reduced, we still have a core position in resource companies. We did not sell our core resource positions at the bottom. Both the Inco Ltd., VBN shares (5.77% of the Fund as of 6/30/99) and Ivanhoe Energy, Inc. (formerly Black Sea Energy, Ltd.) (5.59%) were stand-out performers in the first half of 1999. We handled our gold investments differently. With the continuing decline in the price of gold and the central banks selling their reserves, we felt it was prudent to reduce our position in gold stocks, which is currently 5.8%.

Ivanhoe Energy, Inc., with new management, has developed a significant position in the San Joaquin Basin (California) deep gas play. This is one of the most intriguing North American natural gas exploration prospects. The blow-out of the East Lost Hills Well (Berkley Petroleum group) has focused exploration companies in lands that have historically produced a lot of oil. In the next year, we expect to see a number of joint ventures, seismic shoots, and 4 - 5 exploratory wells drilled. The potential reserve numbers are very substantial.

The fundamental backdrop for resource stocks is improving. While we are not expecting a global v-shaped economic recovery, we are likely to see economic expansion in Asia and other emerging markets, and we expect an increased demand in base metals. Last year our Fund was negatively impacted by the Asian crisis. For the next two years, I believe the forecasted Asian recovery will have a very positive influence on our resource investments.

We have new contrarian investments in cement, retail, technology, and airlines. We own three cement companies--Lafarge Corporation (0.79%), Lone Star Industries, Inc. (2.51%), and Southdown, Inc. (0.95%). As a result of the new

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\*Due to the investment style of the Fund, all categories within the Investment Style box are applicable.

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RS FUNDS

THE CONTRARIAN FUND-TM- UPDATE -- CONTINUED

highway bill, we expect to see an increase in construction material expenditures in the next six years, which we believe will surpass the construction costs of the original interstate highway system in the 1950's. Cement prices are going up, and cement companies are generating significant cash flow.

Our retail investments include: Payless ShoeSource, Inc. (1.98%)--the dominant shoe company in the United States; Kmart Corporation (2.19%)--a new format, an improved balance sheet, and a restructuring nearing completion; and Liz Claiborne, Inc. (0.95%)--an undervalued high-return retailer.

Our technology investments include QUALCOMM, Inc. (3.23%), when it was a contrarian investment (our cost \$26) and Apple Computer, Inc. (3.36%), where we bought a cheap stock in front of a hot selling new product.

Warren Buffet said he would never own an airline, so you know this is contrarian. We own AMR Corporation (American Airlines) (2.30%). Even Mr. Buffet might look at an airline at less than 5x 1999 earnings. This airline is currently under 5x earnings, excluding the market value of Sabre, Inc., a computer reservation system.

We had an excellent first half of 1999. We believe our Fund is well positioned,

long and short, for where we are in this stock market cycle.

Thank you for your support and trust.

/s/ Paul H. Stephens  
Paul H. Stephens  
PORTFOLIO MANAGER

/s/ Andrew P. Pilara, Jr.  
Andrew P. Pilara, Jr.  
PORTFOLIO MANAGER

/s/ Rick Barry  
Rick Barry  
PORTFOLIO MANAGER

July 26, 1999

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International investing can involve greater currency fluctuations and less political and economic stability. Investing in smaller companies can involve more volatility, less liquidity, and less publicly available information. Investing in a more limited number of issuers and sectors can be subject to greater market fluctuation. Short selling is the sale of a borrowed security, and the price of the security can increase between the date the security is sold and the date when the fund must replace it. Options and futures may not be perfectly correlated to the underlying index or security. High-yielding, lower-quality debt securities may be considered to be of lower standing and more speculative.

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SEMIANNUAL REPORT

ASSETS UNDER MANAGEMENT: \$134.92 million

ASSET ALLOCATION

RS FUNDS  
DATA AS OF JUNE 30, 1999

CONTRARIAN

[CHART]  
<TABLE>  
<CAPTION>

SECTOR	
<S>	<C>
Energy	16.8%
Short Positions(net)	21.7%
Media	10.5%
Computers - Hardware and Software	10.2%
Financial Services	6.6%
Construction/Infrastructure	6.3%
Gold Mining	5.8%
Nickel Mining	5.8%
Consumer & Specialty Retail	4.7%
Consumer & Business Services	4.1%
Transportation	3.7%
Telecommunications	3.4%

Other & Other Liabilities, Net	0.4%
Total	100.00%

</TABLE>

DATA AS OF JUNE 30, 1999

<TABLE>  
<CAPTION>

TOP TEN HOLDINGS

<S>	<C>
Dundee Bancorp, Inc.	6.61%
Inco Ltd., VBN Shares	5.77%
Metromedia International Group, Inc.	5.73%
Ivanhoe Energy, Inc.(4)	5.59%
CD Radio, Inc.	4.23%
Apple Computer, Inc.	3.36%
PennzEnergy Company	3.27%
QUALCOMM, Inc.	3.23%
Indochina Goldfields, Ltd.	3.17%
Consolidated African Mines, Ltd.	2.57%

</TABLE>

RESULTS OF A HYPOTHETICAL \$10,000 INVESTMENT (IF INVESTED ON 6/30/93)

[CHART]  
<TABLE>

<CAPTION>

DATE	CF 10K	MSCI AC WORLD 10K
6/93	\$ 10,000	\$ 10,000
9/93	\$ 9,559	\$ 10,439
12/93	\$ 11,186	\$ 10,756
3/94	\$ 12,098	\$ 10,730
6/94	\$ 11,618	\$ 10,987
9/94	\$ 11,078	\$ 11,348
12/94	\$ 10,568	\$ 11,101
3/95	\$ 10,739	\$ 11,391
6/95	\$ 12,626	\$ 11,831
9/95	\$ 13,308	\$ 12,384
12/95	\$ 13,830	\$ 12,847
3/96	\$ 16,731	\$ 13,308
6/96	\$ 16,038	\$ 13,682
9/96	\$ 16,440	\$ 13,741
12/96	\$ 16,828	\$ 14,240
3/97	\$ 17,062	\$ 14,326
6/97	\$ 16,036	\$ 16,389
9/97	\$ 15,244	\$ 16,695
12/97	\$ 11,862	\$ 16,036
3/98	\$ 12,127	\$ 18,186
6/98	\$ 10,769	\$ 18,226
9/98	\$ 7,520	\$ 15,916
12/98	\$ 7,984	\$ 19,194
3/99	\$ 8,392	\$ 19,899
6/99	\$ 10,214	\$ 21,563

</TABLE>

PERFORMANCE UPDATE

<TABLE>

<CAPTION>

	YEAR TO DATE TOTAL RETURN	ONE-YEAR TOTAL RETURN	FIVE-YEAR AVERAGE ANNUAL RETURN	TOTAL RETURN SINCE INCEPTION (1)	AVERAGE ANNUAL RETURN SINCE INCEPTION (1)
The Contrarian Fund-TM-	27.94%	-5.15%	-2.54%	2.14%	0.35%
MSCI AC World Index(2)	12.34%	18.31%	14.44%	115.63%	13.66%
S&P 500 Index(3)	12.32%	22.77%	27.85%	246.37%	22.99%

</TABLE>

Performance data quoted represents past performance, and past performance is no guarantee of future results. You should realize that investment return and principal value will fluctuate so that shares, when redeemed, may be worth more or less than their original cost.

(1) Inception date 6/30/93

(2) The Morgan Stanley Capital International (MSCI) All Country World Index is an unmanaged, market capitalization-weighted index composed of companies representative of the market structure of 47 developed and emerging market countries. You cannot invest in an index.

(3) The S&P 500 Index is an unmanaged market capitalization-weighted index of 500 stocks designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries. It is widely recognized as representative of the stock market in general. Investment results assume the reinvestment of dividends paid on the stocks constituting the index. You cannot invest in an index.

(4) Formerly Black Sea Energy Ltd. New name effective 7/2/99.

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RS FUNDS

DIVERSIFIED GROWTH FUND

[GRAPHIC]  
INVESTMENT STYLE  
Small Cap

Blend

FUND PHILOSOPHY

The RS Diversified Growth Fund seeks to achieve

long-term capital growth by investing primarily in small-cap value and growth stocks across diverse companies and sectors. Our flexible, bottom-up approach is based on our search for a growth catalyst and trend analysis. We look for well-managed companies with improving fundamentals that may be positioned for growth. Our formula for long-term success also includes a disciplined approach to risk: losses are eliminated quickly, and we are constantly looking for attractive new opportunities.

[PHOTO]  
John L.  
Wallace

[PHOTO]  
John H.  
Seabern

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FUND UPDATE

The RS Diversified Growth Fund returned 44.81% for the six months ending June 30, 1999. We were quite pleased with our performance, especially when compared to our primary benchmark, the Russell 2000 Index, (2) which returned 9.28% for the same period. We were also pleased to have outperformed the S&P 500 Index, (3) up only 12.32% for the six months ending June 30, 1999.

Small-cap stocks came to life and dramatically outperformed in April and May of this year. Since 1994 small stocks have dramatically underperformed the market. During that time, there have been only three short periods where small-caps have outperformed, summer of 1995, first half of 1996, and fall of 1997, before large-cap stocks regained superior relative performance.

Small stocks have done quite well since March of this year, and we think that the bear market for small-cap stocks that began in October 1997 may have ended. Relative valuations of small-caps are attractive, especially on such measures of price to cash flow, and price to sales which are at twenty-year lows. Merger and acquisition activity among smaller companies is at a fifteen-year high, while money flows into small-cap mutual funds are at a ten-year low. Almost the entire net inflow into U.S. mutual funds in the first quarter of 1999 went into large-cap growth and S&P 500 Index funds as investors overlooked the small-cap sector. We use this as a contrary indicator, which has stood the test of time and, along with valuations, makes a convincing case for the return of small-caps.

The technology and telecommunications revolution continues to impact our lives. Our investments in this area were the primary contributors to our performance during the last six months. It has been difficult to keep up with the changes in computer and communications technologies during the past decade. Moore's Law states that microchip power doubles every eighteen months. As semiconductors become faster, computers are able to access and store more information. The carrying capacity of communications lines (aka bandwidth) is expanding at breakneck speed, and its implications for high speed Internet access and data and video products and services are broad. E-commerce and the Internet are a revolution unto themselves. All of these areas have provided positive investment opportunities year to date.

The enormity and rapidity of these changes often makes it difficult to predict the ultimate long-term winners. Our discipline and focus have been on well-managed companies that are at the forefront of new product cycles in the following primary technology sectors: telecom services, wireless, cable, semiconductors, and Internet access and content. We are investing in companies that are adopting new strategies to take advantage of this growth: Primus Telecommunications Group, Inc. (2.61% of the Fund as of 6/30/99), and Startec Global

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SEMIANNUAL REPORT

DIVERSIFIED GROWTH FUND UPDATE -- CONTINUED

Communications Corporation (3.01%) in the international long distance arena; and CapRock Communications Corporation (3.69%) and IXC Communications, Inc. (2.19%) are competitive local exchange carriers that are attractive, especially with the likelihood of increased consolidation with established carriers and Regional Bell Operating Companies.

Cellular demand is continuing to rise. The transition from analog to digital is driving penetration levels in the U.S. higher. Our investments in Western Wireless Corporation (1.23%) and Omnipoint Corporation Combination (1.47%) paid off due to accelerated consolidation in the industry. Cable revenue growth continues as new services are being developed and deployed through digital set top boxes. Rollouts of high-speed cable modems continue to be strong. Over the next several years we expect all computers to have built in cable modems. Our favorite stocks in this area include several programming and content providers: New Frontier Media, Inc. (3.30%), AT&T Corporation-Liberty Media Group (1.30%),



and Shop At Home, Inc. (0.14%)

Semiconductor sales seem to be improving after a three-year slump. Average selling prices and unit volumes are improving, especially in the communications-end markets. We think that our investments in ANADIGICS, Inc. (1.50%), Cypress Semiconductor Corporation (1.17%), and SpeedFam-IPEC, Inc. (0.81%) will be beneficiaries of this trend.

The Internet is changing the way people communicate, buy and sell goods and services, and spend their leisure time. Its growth and influence on our lives is coming at a record pace. The Internet industry is broad, encompassing many companies. The challenge for investors is to distinguish the long-term profit potential of many Internet businesses. With many early-stage Internet stocks receiving multi-billion dollar market capitalizations, valuations are virtual, reflecting extremely high expectations of investors. The supply of stock offered by Internet IPOs (according to Ned Davis Research, over 70 YTD vs. 96 total from the last three years) will eventually overwhelm demand.

The Internet is still in a developmental stage and economic profits are a fantasy for most companies. Time will separate the long-term survivors from the "also-rans." We are focusing on quality companies and paying attention to risk.

Since 1996, we have been long-term bullish on energy and the oil service sector. The Asian crisis in late 1997-1998 reduced global demand sharply and was instrumental in driving oil prices to the mid-1980's low of \$9-10 per barrel. This year the economies of Asia are improving. OPEC members have cut output quotas and the prices have risen sharply. We have positioned the portfolio to take advantage of what we believe could be a strong rebound in profitability for the service sector in late 1999 and beyond. Growing global demand from countries seeking higher standards of living will lead to increased production and higher prices for oil and natural gas. We know there will be cyclical price swings within the secular trend. Offshore drillers and service companies such as ENSCO International, Inc. (0.81%), Rowan Companies, Inc. (0.75%), and BJ Services Company (1.07%) should benefit from a spending increase by major oil companies. Exploration and production companies such as Apache Corporation (1.09%) and Devon Energy Corporation (0.91%) have good production profiles and will benefit from stronger natural gas prices.

Our philosophy of searching for above average growth with a disciplined approach to risk management has paid off in the first half of 1999. We want to remind investors that successful equity investing is not a short-term proposition. We remain focused on the long-term. On behalf of the entire Diversified Growth team, we thank you for your support.

/s/ John L. Wallace

/s/ John H. Seabern

John L. Wallace  
Portfolio Manager

John H. Seabern  
Co-Portfolio Manager

July 15, 1999

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International investing can involve greater currency fluctuations and less political and economic stability. Investing in smaller companies can involve more volatility, less liquidity, and less publicly available information. Options and futures may not be perfectly correlated to the underlying index or security. High-yielding, lower-quality debt securities may be considered to be of lower standing and more speculative.

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RS FUNDS

ASSETS UNDER MANAGEMENT: \$98.73 million

ASSET ALLOCATION

RS FUNDS

Data as of 6-30-99

DIVERSIFIED GROWTH

[CHART]

<TABLE>

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SECTOR

<S>	<C>
Telecom Equipment & Services	27.4%
Computer Technology	17.6%
Internet Services	9.8%
Energy & Energy Services	9.4%
Media	8.4%

Health / Medical / Biotechnology	5.6%
Business / Commercial Services	4.1%
Consumer & Specialty Retail	3.4%
Convertible Preferred	2.5%
Financial	2.1%
Options	0.3%

Total Short Term Investments	0.5%
Other & Other Liabilities, Net	8.9%
Total	100.00%

DATA AS OF JUNE 30, 1999

<TABLE>  
<CAPTION>  
TOP TEN HOLDINGS  
<S> <C>

CapRock Communications Corporation	3.69%
New Frontier Media, Inc.	3.30%
Startec Global Communications Corp.	3.01%
Primus Telecommunications Group, Inc.	2.61%
IXC Communication, Inc.	2.19%
First Sierra Financial, Inc.	2.08%
Sabratek Corporation	1.77%
Sawtek, Inc.	1.74%
Excel Switching Corporation	1.67%
Verity, Inc.	1.65%

</TABLE>

RESULTS OF A HYPOTHETICAL \$10,000 INVESTMENT (IF INVESTED ON 8/1/96)

[CHART]  
<TABLE>  
<CAPTION>

DATE	DG 10K	R 2000 10K
8/1/96	\$ 10,000	\$ 10,000
9/96	\$ 11,110	\$ 10,873
12/96	\$ 12,420	\$ 11,439
3/97	\$ 11,870	\$ 10,847
6/97	\$ 13,320	\$ 12,606
9/97	\$ 16,670	\$ 14,482
12/97	\$ 16,077	\$ 13,997
3/98	\$ 18,665	\$ 15,405
6/98	\$ 17,199	\$ 14,687
9/98	\$ 14,405	\$ 11,728
12/98	\$ 18,694	\$ 13,641
3/99	\$ 20,976	\$ 12,901
6/99	\$ 27,070	\$ 14,907

</TABLE>

PERFORMANCE UPDATE

<TABLE>  
<CAPTION>

	YEAR TO DATE TOTAL RETURN	ONE-YEAR TOTAL RETURN	TOTAL RETURN SINCE INCEPTION (1)	AVERAGE ANNUAL RETURN SINCE INCEPTION (1)
<S> <C>	<C>	<C>	<C>	<C>
Diversified Growth Fund	44.81%	57.39%	170.70%	40.77%
Russell 2000 Index(2)	9.28%	1.50%	49.07%	14.69%
S&P 500 Index(3)	12.32%	22.77%	121.46%	31.39%

</TABLE>

Performance data quoted represents past performance, and past performance is no guarantee of future results. You should realize that investment return and principal value will fluctuate so that shares, when redeemed, may be worth more or less than their original cost.

(1) Inception date 8/1/96.

(2) The Russell 2000 Index is an unmanaged market capitalization-weighted index composed of 2,000 U.S. companies with an average market capitalization of \$406.5 million. Investment results assume the reinvestment of dividends paid on the stocks constituting the index. You cannot invest in an index.

(3) The S&P 500 Index is an unmanaged market capitalization-weighted index of 500 stocks designed to measure performance of the broad domestic economy

through changes in the aggregate market value of 500 stocks representing all major industries. It is widely recognized as representative of the stock market in general. Investment results assume the reinvestment of dividends paid on the stocks constituting the index. You cannot invest in an index.

SEMIANNUAL REPORT

EMERGING GROWTH FUND

[GRAPHIC]  
INVESTMENT STYLE  
Small Cap

Growth

FUND PHILOSOPHY

The RS Emerging Growth Fund seeks capital appreciation by investing primarily in smaller, rapidly growing companies. The Fund is actively managed, involving hands-on fundamental research that includes extensive travel and visits with company managements. The Fund seeks to invest in companies that are growing at least 20% annually, are market share leaders, and are managed by executives who can leverage a competitive advantage and consistently execute in today's business environment. The Fund is intended for investors with long-term investment goals.

[PHOTO]  
James L. Callinan

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FUND UPDATE

The RS Emerging Growth Fund experienced outstanding performance in the first half of 1999, closing up 49.67%. Driven by Internet, technology and media stock price appreciation, it significantly outperformed its benchmark, the Russell 2000 Growth Index, (2) which closed up 12.82%. Second quarter performance for the Fund was 17.00% while the Russell 2000 Growth Index was up 14.75%. We believe that we are still at the early stages of a small capitalization growth stock rally and that our Fund is well positioned to benefit from continued demand by the stock market for the fastest growing smaller companies.

The characteristics of our largest holdings remain those who can show explosive revenue growth, market share gains, proprietary advantages, strong profit margins and great management. Examples of several outstanding companies of this ilk include EchoStar Communications Corporation (DISH) (1.65% of the Fund as of 6/30/99), Check Point Software Technologies, Ltd. (CHKP) (1.02%), and Power Integrations, Inc. (POWI) (1.55%). Each company has a number of qualities we like to see: an emerging industry with attractive secular revenue growth rates, open ended markets, and a demonstrated proprietary advantage with attendant barriers to entry and competition.

EchoStar Communications is one of two participants in the satellite broadcasting industry, which is benefiting from the growing consumer demand for high quality video entertainment delivered through satellite dishes. Its Dish Network offers more extensive programming of pay per view and premium television channels than cable does. It will also benefit from government deregulation of local broadcasting, which will permit satellite firms to offer local programs over the air. Its technological advantage lies primarily in program delivery, in that its channel capacity will soon be 10 times that of the average cable television network. Interestingly enough, satellite players may extend this lead as many cable companies intend to invest in providing Internet access rather than increased channel capacity. As such, cable companies have left their core business vulnerable to attack from a premium product. We believe that EchoStar Communications will increase its subscriber base from 3 million to 10-15 million over the next 5 years and these subscribers are usually valued at \$3,000-\$4,000 per subscriber in the stock market.

Check Point Software is the leading company in the firewall market, another emerging subsegment of the Internet, with a 50% market share. Currently, firewalls are by far the most important security product used on the Internet. As corporations launch transaction and interactive sites, firewalls block access by unauthorized users of a corporation's most precious Information Technology (IT) assets. Firewalls protect IT assets from points of connection to the Internet, and as the number of these connections per organization increases, firewall demand rises similarly. We expect its unit volume will grow linearly with the sheer explosion of web and e-mail sites on the Internet. Check Point Software's advantage lies in the simplicity of installation, programmability, and in the broad range of

## EMERGING GROWTH FUND UPDATE -- CONTINUED

complex transactions and functionality it supports. Check Point Software participates in a market with the potential to sell 100 million firewall units cumulatively over the next 5 years. At an estimated price of \$500 per unit, these unit sales could top \$50 billion of cumulative revenue, which contrasts quite dramatically to its present market share of 50% and its market capitalization of \$2 billion.

Power Integrations supplies a key integrated circuit used in power supplies for cellular phones, notebooks, personal computers, hand-held devices, and, in the future, electrical appliances. The key product benefits for buyers of its circuits are a smaller form factor and reduced power requirements. Power Integrations principal advantages are its ultra low manufacturing costs which is 75-85% lower than the costs of its competitors and its voluminous patent portfolio. Power Integrations receives about 50% of revenues from cell phones and notebooks, but these two industry segments are dwarfed by the vast potential of the television, electrical and electronic appliance markets. A huge target market, low-cost producer status, and an environmentally friendly product add up to continued outperformance potential.

The preceding investments are held in the Fund and demonstrate a number of the qualities we look for in emerging growth companies. The common themes are fast revenue growth, a recently emerged industry segment, a proprietary advantage that allows the firm to gain market share, and open-ended revenue potential that will sustain 20% growth for at least 3-5 years.

We have not changed our strategy of searching for new firms that demonstrate these attractive characteristics. Initial Public Offerings are coming at a furious pace and presently require extensive analytical resources and effort. However, we believe that this is time well spent, as these new firms may become the bedrock holdings of the Fund in 2-3 years, just as EchoStar Communications, Check Point Software, and Power Integrations are now. Additionally, we pursue greater in-depth knowledge of these immature public companies because we find that they are frequently priced inefficiently. The wild swings that they enjoy, or endure as the case may be, provide us our livelihood in that we seek to profit from these sell-offs and run-ups, respectively. Our knowledge levels on companies covered by our internal analysts give us an edge, a greater degree of confidence, if you will, to step in and buy when others fear a steep decline.

We want to thank our loyal shareholders for sticking with us to enjoy this unusually good first half of 1999. We also would like to extend a warm welcome to our newest holders who joined us in 1999 and introduce you to our philosophy of "profiting from volatility." Because our asset class, small capitalization growth stocks, is the most price volatile, we ask that, to the best of your ability, you ignore these wild swings and allow us to find the best bargains and opportunities when the inevitable 25% or greater correction occurs. If you sell your shares during these inevitable rocky times, you leave during the time when I get most excited about managing the Fund: I can buy the best companies at steep price discounts due to the panic of others. We hope that you will place your trust in our ability to seek out some great ideas for you coming out of these dramatic price declines. Our goal is to let you sleep well at night, knowing that we are looking out for your portfolio of small company, emerging growth stocks.

/s/ James L. Callinan

James L. Callinan  
PORTFOLIO MANAGER

July 16, 1999

-----  
Investing in smaller companies can involve risks such as less publicly available information than larger companies, volatility, and less liquidity.

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## SEMIANNUAL REPORT

ASSETS UNDER MANAGEMENT: \$1.01 BILLION

## ASSET ALLOCATION

[CHART]

<TABLE>

<CAPTION>

RS Funds

SECTOR	%
<S>	<C>
Technology	26.6%
Internet Commerce & Services	17.5%
Telecom Equipment / Services	12.7%
Medical / Healthcare / Biotech	8.6%
Financial Services	4.9%
Media	4.7%
Business Services/ Commercial Services	4.7%
Consumer & Specialty Retail	4.6%
Broadcasting/Radio/TV	2.3%
Advertising	2.0%
Energy	2.0%
Network Systems	1.5%
Travel Services	1.2%
Total Short Term Investments	3.8%
Other & Other Assets, Net	2.9%
Total	100.00%

</TABLE>

<TABLE>  
<CAPTION>  
DATA AS OF JUNE 30, 1999

TOP TEN HOLDINGS

<S>	<C>
Exodus Communications, Inc. ....	1.80%
Cree Research, Inc. ....	1.67%
EchoStar Communications Corporation .....	1.65%
Siebel Systems, Inc. ....	1.58%
Laser Vision Centers, Inc. ....	1.56%
Power Intergrations, Inc. ....	1.55%
Knight/Trimark Group, Inc. ....	1.51%
Gemstar International Group, Ltd. ....	1.46%
Allegiance Telecom, Inc. ....	1.41%
MindSpring Enterprises, Inc. ....	1.14%

</TABLE>

RESULTS OF A HYPOTHETICAL \$10,000 INVESTMENT (IF INVESTED ON 11/30/87)

[CHART]

<TABLE>

<CAPTION>

DATE	EGF 10K	R 2000 10K	DIV 10K	GROWTH
<S>	<C>		<C>	
11/30/87	\$ 10,000	\$	10,000	
12/87	\$ 12,611	\$	11,040	
3/88	\$ 13,892	\$	12,963	
6/88	\$ 15,222	\$	13,786	
9/88	\$ 14,114	\$	13,406	
12/88	\$ 14,383	\$	13,289	
3/89	\$ 15,728	\$	14,276	
6/89	\$ 16,709	\$	15,200	
9/89	\$ 18,924	\$	16,558	
12/89	\$ 20,776	\$	15,970	
3/90	\$ 21,139	\$	15,545	
6/90	\$ 24,638	\$	16,526	
9/90	\$ 19,290	\$	12,214	
12/90	\$ 22,765	\$	13,189	
3/91	\$ 29,339	\$	17,219	
6/91	\$ 26,862	\$	16,622	
9/91	\$ 31,544	\$	18,415	
12/91	\$ 36,140	\$	19,940	
3/92	\$ 35,561	\$	20,486	
6/92	\$ 29,428	\$	18,026	
9/92	\$ 28,974	\$	18,375	
12/92	\$ 35,218	\$	21,490	
3/93	\$ 30,891	\$	21,105	
6/93	\$ 30,744	\$	21,713	
9/93	\$ 35,365	\$	23,740	
12/93	\$ 37,759	\$	24,364	
3/94	\$ 38,578	\$	23,371	
6/94	\$ 35,428	\$	21,898	
9/94	\$ 41,014	\$	23,944	
12/94	\$ 40,765	\$	23,772	
3/95	\$ 43,213	\$	25,076	
6/95	\$ 42,392	\$	27,563	

9/95	\$	49,180	\$	30,698
12/95	\$	49,045	\$	31,151
3/96	\$	50,730	\$	32,941
6/96	\$	57,062	\$	34,866
9/96	\$	57,884	\$	34,569
12/96	\$	59,585	\$	34,660
3/97	\$	51,242	\$	31,025
6/97	\$	62,969	\$	36,471
9/97	\$	76,240	\$	42,642
12/97	\$	70,633	\$	39,147
3/98	\$	83,544	\$	43,798
6/98	\$	85,280	\$	41,282
9/98	\$	65,347	\$	32,052
12/98	\$	90,424	\$	39,628
3/99	\$	115,680	\$	38,962
6/99	\$	135,341	\$	44,708

</TABLE>

PERFORMANCE UPDATE

<TABLE>

<CAPTION>

	YEAR TO DATE TOTAL RETURN	ONE-YEAR TOTAL RETURN	FIVE-YEAR AVERAGE ANNUAL RETURN	TEN-YEAR AVERAGE ANNUAL RETURN	TOTAL RETURN SINCE INCEPTION (1)	AVERAGE ANNUAL RETURN SINCE INCEPTION (1)
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Emerging Growth Fund	49.67%	58.70%	30.75%	23.27%	1253.41%	25.21%
Russell 2000 Growth Index(2)	12.82%	8.30%	15.34%	11.39%	347.08%	13.79%
S&P 500 Index(3)	12.32%	22.77%	27.85%	18.76%	715.63%	19.85%

</TABLE>

Performance data quoted represents past performance, and past performance is no guarantee of future results. You should realize that investment return and principal value will fluctuate so that shares, when redeemed, may be worth more or less than their original cost.

(1) Inception date 11/30/87.

(2) The Russell 2000 Growth Index is an unmanaged market capitalization-weighted index containing those securities in the Russell 2000 Index with higher price-to-book ratios and higher forecasted growth values. Investment results assume the reinvestment of dividends paid on the stocks constituting the index. You cannot invest in an index.

(3) The S&P 500 Index is an unmanaged market capitalization-weighted index of 500 stocks designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries. It is widely recognized as representative of the stock market in general. Investment results assume the reinvestment of dividends paid on the stocks constituting the index. You cannot invest in an index.

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RS FUNDS

GLOBAL NATURAL RESOURCES FUND

[GRAPHIC]

INVESTMENT STYLE\*

Large Cap	Mid Cap	Small Cap
Growth	Blend	Value

FUND PHILOSOPHY

The RS Global Natural Resources Fund seeks to achieve long-term capital appreciation by investing in companies principally engaged in the discovery, development, production, or distribution of natural resources; the development of technologies for the production or efficient use of natural resources; or the furnishing of related supplies or services.

[PHOTO]

Andrew P. Pilara, Jr.

FUND UPDATE

The RS Global Natural Resources Fund was the #1 natural resources fund for the second quarter according to Lipper.(4) We are obviously pleased with our performance in the first half of 1999, as the Fund closed up 34.05% and outperformed its benchmark, the Lipper Natural Resources Index,(2) which closed up 29.64%. We believe that we are early in a secular upswing in resource stocks. The corporate mind-set of many of these companies has

shifted from increasing volume at all costs to improving profitability (returns). The majority of resource stocks have destroyed shareholder value for the last twenty years. Commodity prices affect stock prices short-term, but companies' capital deployment strategies affect stock prices long-term.

We have benefited from our energy exposure and, in particular, our natural gas investments. We like commodities with increasing demand and decreasing supply. In the United States the rig count is still down about 35% versus last year. The situation in Canada is even more dramatic with natural gas prices up 100% year over year. Canadian gas pipeline capacity to the United States is in the process of increasing 30%. At the same time, decline rates for Canadian gas production continue to increase--exceeding 20%. Canadian gas companies are shaping up to be one of our best resource opportunities. We believe that we are well positioned with investments in:

- Anderson Exploration, Ltd. (4.53% of the Fund as of 6/30/99)
- Beau Canada Exploration, Ltd. (2.21%)
- Calahoo Petroleum, Ltd. (2.59%)
- Canadian Hunter Exploration, Ltd. (6.71%)

Another energy theme I want to highlight is coal bed methane--the extraction of gas from coal seams. Our investments are primarily in the Rockies. These wells are usually small, shallow, and cheap, but most importantly the companies are experiencing rates of return of 35-40% on these prospects. I believe it is probably the hottest resource play in the United States. We are participating with investments in:

- Evergreen Resources, Inc. (1.45%)
- Pennaco Energy, Inc. (1.69%)
- Western Gas Resources, Inc. (6.92%)

Our "sleeper" investment in coal bed methane is PennzEnergy Company (5.30%). With the announced merger into Devon Energy, the combined company will bring together Devon's expertise in San Juan Basin and Powder River coal bed methane with PennzEnergy's acreage position in coal bed

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\*Due to the investment style of the Fund, all categories within the Investment Style box are applicable.

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#### SEMIANNUAL REPORT

#### GLOBAL NATURAL RESOURCES FUND UPDATE -- CONTINUED

methane properties in the Raton Basin of Colorado and New Mexico. PennzEnergy has a 600,000 acre position in the Raton Basin in a joint venture with Sonat, Inc. The company stated that the Raton Basin properties could yield 1 to 3 Trillion Cubic Feet of recoverable gas, approximately 25% to 75% of the combined company's year end 1998 reserves. This merger brings together Devon's balance sheet and management team with PennzEnergy's property portfolio.

With our natural gas emphasis, we acknowledge the possibility of OPEC raising their oil quota at the September OPEC meeting. The stock market's initial response will most likely be negative. Longer-term, we still believe the oil inventory surplus, with the last OPEC quota reduction, has been eliminated. We still believe OPEC is managing for a \$19-\$21 West Texas Intermediate. The OPEC ministers appear to be focused on eliminating the inventory surplus to achieve a higher benchmark for oil prices. One thing we can count on is continued oil price volatility in the second half of 1999. While we are not currently targeting oil investments, some of our companies have at least 50% of their production coming from oil.

We are also trying to capture the upside in what we consider to be some of the more exciting exploration plays around the world.

- East Coast of Canada - Petro-Canada (3.92%)
- Northwest Territories - Berkley Petroleum Corporation (3.85%); Purcell Energy, Ltd. (2.35%)
- San Joaquin Basin, California - Berkley Petroleum Corporation

We have balanced our energy exposure with investments in paper and forest products, real estate, and agriculture. Even though we diversify our Fund investments, it is difficult to achieve negative covariance amongst stocks in a sector portfolio. You should therefore expect more volatility from a sector fund. In the second quarter we were beneficiaries of this volatility.

Resource stocks are still cheap! Does it make any difference if we are in a deflationary environment? With grain prices at 26-year lows, agriculture prices are helping to keep the consumer and producer price indices in check. Looking at indices with heavier weightings in base metals and energy you see a different picture. The Goldman Sachs Commodity Price Index is up 17% year to date. We are seeing very good returns in resource stocks in what most people

would say is a "deflationary" time. What would happen to resource stocks in an inflationary environment?

Thank you for your support and trust.

/s/ Andrew P. Pilara, Jr.

Andrew P. Pilara, Jr.  
PORTFOLIO MANAGER

July 26, 1999

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International investing can involve greater currency fluctuations and less political and economic stability. Investing in smaller companies can involve more volatility, less liquidity, and less publicly available information. Investing in a more limited number of issuers and sectors can be subject to greater market fluctuation. Options and futures may not be perfectly correlated to the underlying index or security. Short selling is the sale of a borrowed security, and the price of the security can increase between the date the security is sold and the date when the fund must replace it.

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RS FUNDS

ASSETS UNDER MANAGEMENT: \$34.66 MILLION

ASSET ALLOCATION  
[CHART]  
<TABLE>  
<CAPTION>

RS Funds  
Data as of 6-30-99

GLOBAL NATURAL RESOURCES  
SECTOR

<S>	<C>
Energy	66.4%
Utilities/Pipeline	6.9%
Real Estate	5.9%
Paper & Forest	5.5%
Aluminum	4.6%
Food	4.3%
Energy Services	3.7%

Total Short Term Investments	1.1%
Other & Other Liabilities, Net	1.6%
Total	100.00%

</TABLE>

DATA AS OF JUNE 30, 1999

<TABLE>  
<CAPTION>

TOP TEN HOLDINGS

<S>	<C>
Western Gas Resources, Inc. ....	6.92%
Canadian Hunter Exploration, Ltd. ....	6.71%
Plains Resources, Inc. ....	5.48%
PennzEnergy Company ....	5.30%
Alliance Forest Products, Inc. ....	4.82%
MAXXAM, Inc. ....	4.60%
Anderson Exploration, Ltd. ....	4.53%
Fresh Del Monte Produce, Inc. ....	4.36%
Ocean Energy, Inc. ....	4.23%
Petro-Canada ....	3.92%

</TABLE>

RESULTS OF A HYPOTHETICAL \$10,000 INVESTMENT (IF INVESTED ON 11/15/95)

[CHART]  
<TABLE>  
<CAPTION>

DATE	NR 10K	LIPPER NR 10K
<S>	<C>	<C>
11/15/95	\$ 10,000	\$ 10,000
12/95	\$ 10,120	\$ 10,824
3/96	\$ 11,860	\$ 11,706
6/96	\$ 12,330	\$ 12,245



9/96	\$	13,140	\$	12,705
12/96	\$	14,290	\$	13,949
3/97	\$	13,340	\$	13,414
6/97	\$	13,720	\$	14,793
9/97	\$	14,770	\$	17,274
12/97	\$	11,840	\$	16,005
3/98	\$	12,459	\$	16,610
6/98	\$	11,110	\$	15,528
9/98	\$	8,614	\$	13,011
12/98	\$	7,761	\$	12,305
3/99	\$	8,125	\$	13,434
6/99	\$	10,403	\$	15,952

</TABLE>

PERFORMANCE UPDATE

<TABLE>  
<CAPTION>

	YEAR TO DATE TOTAL RETURN	ONE-YEAR TOTAL RETURN	TOTAL RETURN SINCE INCEPTION (1)	AVERAGE ANNUAL RETURN SINCE INCEPTION (1)
<S>	<C>	<C>	<C>	<C>
Global Natural Resources Fund	34.05%	-6.36%	4.03%	1.10%
Lipper Natural Resources Index(2)	29.64%	2.73%	59.52%	13.75%
S&P 500 Index(3)	12.32%	22.77%	146.26%	28.23%

</TABLE>

Performance data quoted represents past performance, and past performance is no guarantee of future results. You should realize that investment return and principal value will fluctuate so that shares, when redeemed, may be worth more or less than their original cost.

(1) Inception date 11/15/95.

(2) The Lipper Natural Resources Index is an equally weighted index of the largest mutual funds in the Lipper Natural Resources investment objective, adjusted for the reinvestment of capital gains distributions and income dividends. You cannot invest in an index.

(3) The S&P 500 Index is an unmanaged market capitalization-weighted index of 500 stocks designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries. It is widely recognized as representative of the stock market in general. Investment results assume the reinvestment of dividends paid on the stocks constituting the index. You cannot invest in an index.

(4) Second Quarter 1999, Lipper Analytical Services ranked the RS Global Natural Resources Fund #1 out of 60 Natural Resource Funds. Lipper is an independent mutual fund reporting service. Lipper rankings are based on total returns.

SEMIANNUAL REPORT

GLOBAL VALUE FUND

[GRAPHIC]  
INVESTMENT STYLE  
Large Cap Mid Cap Value

FUND PHILOSOPHY

The RS Global Value Fund seeks to achieve long-term capital growth by investing primarily in equity securities of mid- and large-cap companies worldwide using a value methodology combining Graham & Dodd balance sheet analysis with cash flow analysis.

[PHOTO]  
Andrew P. Pilara, Jr.

FUND UPDATE

The RS Global Value Fund, after declining 5.43% in the first quarter, finished the first half of 1999 with positive performance, up 3.88%. In the second quarter we were up 9.84%, as performance for most of our investments improved.

To put the value sector in perspective, I would like to reference the work of Richard Bernstein, quantitative market analyst at Merrill Lynch. He looked at the S&P 500 Index(3) breaking it down by the "nifty 50" companies and the not-so-nifty 450. Of the 450, 374 companies were in the S&P value index. We can therefore use the 450 as a proxy for large-cap value stocks--high-quality stocks that are not part of the nifty 50. The relative P/E multiple of the nifty 50

versus the not-so-nifty 450 remains close to its high of the last 13 1/2 years. Mr. Bernstein goes on to say that the nifty 50 currently sells at a 38% premium to the 450. The nifty 50 sold at a 20% premium to the 450 at the end of 1990, but then underperformed for the next four years. At the end of that four-year period, the nifty 50 then sold at an approximate 15% discount to the 450.

Mr. Bernstein has also been publishing a style-rotation indicator. This indicator has strongly favored growth over value for more than four years. At the beginning of May, however, this indicator suggested that value was more attractive than growth for the first time since the end of 1994. Now that same indicator shows 9 out of 10 indicies favoring value. I believe this research strongly suggests that investors should again look at value stocks, and also that the largest companies do not always sell at a premium valuation. Our large-cap value investments may certainly benefit if the Merrill Lynch conclusions are correct.

I would like to briefly update you on some of our holdings:

- LIZ CLAIBORNE, INC. (5.39% as of 6/30/99) - Our favorite apparel company, Liz Claiborne, has a portfolio of brands for almost all consumers, and an infrastructure to support these brands. They have a pristine balance sheet, are buying back stock, and making "brand addition" acquisitions. Although Liz Claiborne has been producing lower returns on capital in the last ten years, its returns are still significantly above its cost of capital.
- THE COASTAL CORPORATION (5.62%) - This is our conservative natural gas play. We feel the company's production subsidiary is one of the most attractive natural gas producers. Production is projected to increase 30% in 1999 and 20% in 2000. Although currently its refining division is hurting operating results, we expect future results to improve from this present 15-year low base in refining margins. We also expect rapid growth from the power operations, and think shareholders would benefit if the exploration and production subsidiary was a separately traded public company.

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RS FUNDS

GLOBAL VALUE FUND UPDATE -- CONTINUED

- BROOKFIELD PROPERTIES CORPORATION (7.21%) - This is one of North America's largest owner/managers of commercial properties, with a net ownership interest of 30.4 million square feet. These properties are located primarily in New York (World Financial Center), Boston (75 State Street), Denver (Republic Plaza), and Toronto (BCE Place). The company is selling at a 30% discount to net asset value, with cash flows forecasted to grow 25% in 1999, 18% in 2000, and 16% in 2001.
- ENRON OIL & GAS (4.69%) (4) - Enron, the 53% owner of Enron Oil & Gas (EOG), is selling the majority of its stock back to EOG for cash plus the EOG international assets in India and China. EOG will now primarily be a North American natural gas company. The company has locked-in oilfield service contracts for three years at very good low-cost rates, and has an unhedged production book.

In thumbing through Phil Fisher's 1960 investment classic Common Stocks and Uncommon Profits (New York: Harper, 1960) I found the following investment advice:

"...IT IS OFTEN EASIER TO TELL WHAT WILL HAPPEN TO THE PRICE OF A STOCK THAN HOW MUCH TIME WILL ELAPSE BEFORE IT HAPPENS. THE OTHER IS THE INHERENTLY DECEPTIVE NATURE OF THE STOCK MARKET. DOING WHAT EVERYBODY ELSE IS DOING AT THE MOMENT, AND THEREFORE WHAT YOU HAVE AN ALMOST IRRESISTIBLE URGE TO DO, IS OFTEN THE WRONG THING TO DO AT ALL."

Thank you for your trust and support.

/s/ Andrew P. Pilara, Jr.

Andrew P. Pilara, Jr.  
PORTFOLIO MANAGER

July 30, 1999  
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International investing can involve greater currency fluctuations and less political and economic stability. Investing in smaller companies can involve more volatility, less liquidity, and less publicly available information. Investing in a more limited number of issuers and sectors can be subject to greater market fluctuation. Options and futures may not be perfectly correlated to the underlying index or security. High-yielding, lower-quality debt

SEMIANNUAL REPORT

ASSETS UNDER MANAGEMENT: \$6.77 MILLION

ASSET ALLOCATION  
[CHART]

<TABLE>  
<CAPTION>  
<S>

	<C>
Energy	17.9%
Textiles	13.5%
Construction/Infrastructure	12.1%
Energy Services	10.5%
Consumer & Specialty Retail	10.4%
Total Short Term Investments	10.0%
Real Estate	7.2%
Insurance	6.6%
Telecommunications	6.2%
Other & Other Assets, Net	5.6%

</TABLE>

DATA AS OF JUNE 30, 1999

<TABLE>  
<CAPTION>  
TOP TEN HOLDINGS  
<S>

	<C>
Texaco, Inc. ....	8.31%
Jones Apparel Group, Inc. ....	8.11%
Brookfield Properties Corporation .....	7.21%
Southdown, Inc. ....	6.93%
CIGNA Corporation .....	6.58%
Telecom Italia S.p.A. ....	6.19%
Unicom Corporation .....	5.70%
The Coastal Corporation .....	5.62%
Payless ShoeSource, Inc. ....	5.53%
Liz Claiborne, Inc. ....	5.39%

</TABLE>

RESULTS OF A HYPOTHETICAL \$10,000 INVESTMENT (IF INVESTED ON 4/1/97)  
[CHART]

<TABLE>  
<CAPTION>

DATE	GLOBAL VALUE FUND	MSCI WORLD VALUE INDEX (2)
<S>	<C>	<C>
4/1/97	\$ 10,000	\$ 10,000
4/97	\$ 10,120	\$ 10,272
5/97	\$ 10,260	\$ 10,923
6/97	\$ 10,690	\$ 11,391
7/97	\$ 11,310	\$ 11,895
8/97	\$ 10,960	\$ 11,173
9/97	\$ 11,580	\$ 11,724
10/97	\$ 11,280	\$ 11,224
11/97	\$ 11,631	\$ 11,318
12/97	\$ 11,997	\$ 11,472
1/98	\$ 12,029	\$ 11,695
2/98	\$ 12,449	\$ 12,376
3/98	\$ 13,493	\$ 12,977
4/98	\$ 13,525	\$ 13,136
5/98	\$ 13,525	\$ 12,934
6/98	\$ 13,148	\$ 12,973
7/98	\$ 12,933	\$ 12,934
8/98	\$ 12,008	\$ 10,966
9/98	\$ 12,481	\$ 11,089
10/98	\$ 12,858	\$ 12,110
11/98	\$ 13,116	\$ 12,751
12/98	\$ 13,330	\$ 13,039
3/99	\$ 12,607	\$ 13,522
6/99	\$ 13,847	\$ 14,458

</TABLE>

PERFORMANCE UPDATE  
<TABLE>  
<CAPTION>

	YEAR TO DATE TOTAL RETURN	ONE-YEAR TOTAL RETURN	TOTAL RETURN SINCE INCEPTION (1)	AVERAGE ANNUAL RETURN SINCE INCEPTION (1)
<S>	<C>	<C>	<C>	<C>
Global Value Fund	3.88%	5.31%	38.47%	15.59%
MSCI World Value Index(2)	10.88%	11.44%	44.58%	17.83%
S&P 500 Index(3)	12.32%	22.77%	86.92%	32.10%

Performance data quoted represents past performance, and past performance is no guarantee of future results. You should realize that investment return and principal value will fluctuate so that shares, when redeemed, may be worth more or less than their original cost.

(1) Inception date 4/1/97.

(2) The Morgan Stanley Capital International (MSCI) World Value Index is a market capitalization-weighted index composed of companies representative of the market structure of 22 developed market countries in North America, Europe, and the Pacific Basin. You cannot invest in an index.

(3) The S&P 500 Index is an unmanaged market capitalization-weighted index of 500 stocks designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries. It is widely recognized as representative of the stock market in general. Investment results assume the reinvestment of dividends paid on the stocks constituting the index. You cannot invest in an index.

(4) Added to portfolio 7/20/99. Holding percentage is as of this date.

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RS FUNDS

THE INFORMATION AGE FUND-TM-

[GRAPHIC]  
INVESTMENT STYLE\*  
LARGE CAP    MID CAP    SMALL CAP  
GROWTH      BLEND      VALUE

FUND PHILOSOPHY

The Information Age Fund-TM- seeks to achieve long-term capital appreciation by aggressively investing in companies primarily within the information technology sector. The Fund is designed for investors who believe that aggressive investment in these companies provides significant opportunities for capital appreciation.

[PHOTO] RONALD E. ELIJAH      [PHOTO] RODERICK R. BERRY

FUND UPDATE

The Information Age Fund-TM- recorded another strong quarter on the heels of an exceptional first quarter. During the second quarter, the Fund returned 11.41% for a year to date return of 29.40%. In comparison, the S&P 500 Index(3) was up 7.03% during the quarter (12.32% year to date), and the PSE Technology Index(2) was up 23.22% (36.42% year to date).

As we saw last quarter, and the quarter before that, the technology sector continues to be buffeted by volatility. During the second quarter we endured three drops in the NASDAQ Composite of approximately 10% or more, and each of these drops took place over a period of ten days or less. However, it is also important to note that each of these precipitous drops was followed by an even greater charge forward by the market. In fact, if an investor had missed the top five performance days for The Information Age Fund-TM- during the second quarter, their return for the quarter would have been -13.02% instead of the +11.41% recorded. We mention this to illustrate the point that investors still need to take a long-term approach to investing in the technology sector. As has been the case in the past, we believe that patient investors will be rewarded with returns that outperform the market.

While much of the Fund's success in the first quarter was attributable to the surge in Internet stocks, the second quarter saw a sector rotation out of the Internet names and into the semiconductor sector. During the quarter, the semiconductor sector, as measured by the Philadelphia Semiconductor Index, was up over 30% while the Internet sector, as measured by the Goldman Sachs Internet Index was down over 10%. In addition, the communications sector continued the strength shown during the first quarter. Exiting the second quarter, 23% of the

Fund was invested in the semiconductor sector while nearly 26% was invested in the communication sector. The Fund's Internet weighting was trimmed during the quarter from first quarter's 22% to 10%.

In the semiconductor sector, we are beginning to see strong industry fundamentals allay investor fears of a Y2K induced PC slowdown, and a supply imbalance of semiconductors. To the contrary, memory chip prices on the spot market are beginning to move back up as increasing demand for memory has begun to outstrip supply. Many of the semiconductor equipment companies we are invested in were the first to see a resumption of the semiconductor cycle after years of industry under-spending on new equipment.

As mentioned above, the communications equipment sector remained a stellar performer in the second quarter. We have seen the emerging markets continue to rebound with a resumption of aggressive telecommunication infrastructure building. In addition, we have also seen many of the telecommunication service providers in the United States increase their forecasted capital expenditure budgets in response to

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\*Due to the investment style of the Fund, all categories within the Investment Style box are applicable.

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SEMIANNUAL REPORT

THE INFORMATION AGE FUND-TM- UPDATE -- CONTINUED

exploding data traffic and increased competition for the end-user. Early signs of broader market acceptance of broadband services such as cable modems and other high-speed access technologies have begun to emerge, ensuring that a strong upgrade cycle is in place. On the wireless front, growth is so explosive that we are now seeing industry experts shorten their projections for one billion worldwide users from the year 2005 to 2003.

With favorable June quarter earnings currently being reported, we are very encouraged by the sustainable growth being exhibited by the technology sector. We continue to be in the midst of a very strong domestic economy, coupled with a solid recovery of the emerging Asian economies, which bodes well for continued spending on technology. We are also encouraged by the monumental paradigm shift that is taking place with the growth of the Internet. We do not view the Internet as simply a technology shift, but rather a shift in the way business is being executed in general. Many of the companies we invest in should benefit as traditional retailers scramble to build a web presence for the upcoming holiday selling season. In addition, more and more companies are utilizing the Internet to streamline the way they conduct business to business transactions. We remain in the early stages of a worldwide technology revolution, fueled by cheaper and more advanced semiconductors, and we believe that the patient technology investor will continue to be rewarded with market-beating returns.

On behalf of the entire Information Age team, thank you for your continued support.

/s/ Ronald E. Elijah

/s/ Roderick R. Berry

Ronald E. Elijah  
PORTFOLIO MANAGER

Roderick R. Berry  
CO-PORTFOLIO MANAGER

July 20, 1999

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International investing can involve greater currency fluctuations and less political and economic stability. Investing in smaller companies can involve more volatility, less liquidity, and less publicly available information. Options and futures may not be perfectly correlated to the underlying index or security. Investing in a particular sector can involve greater market fluctuation.

20

RS FUNDS

ASSETS UNDER MANAGEMENT: \$188.59 million

ASSET ALLOCATION

[CHART]

<TABLE>

<CAPTION>

<S>

<C>

Semiconductors	23.3%
Telecom Equipment/ Services	19.6%
Computer Software & Services	18.0%
Internet Commerce	9.5%
Computer Hardware	8.8%
Electronic Components	7.8%
Communications Equipment & Services	6.4%
Other & Other Assets, Net	4.7%
Total Short Term Investments	1.9%
Total	100.00%

DATA AS OF JUNE 30, 1999

<TABLE>  
<CAPTION>  
TOP TEN HOLDINGS

<S>	<C>
Cisco Systems, Inc. ....	6.43%
Microsoft Corporation .....	6.22%
America Online, Inc. ....	5.92%
Lucent Technologies, Inc. ....	5.39%
Teradyne, Inc. ....	4.45%
Texas Instruments, Inc. ....	4.23%
Nokia Corporation - ADR .....	3.92%
Xilinx, Inc. ....	3.90%
Applied Materials, Inc. ....	3.60%
Uniphase Corporation .....	3.52%

RESULTS OF A HYPOTHETICAL \$10,000 INVESTMENT (IF INVESTED ON 11/15/95)

[CHART]

<TABLE>  
<CAPTION>

DATE	The Information Age Fund	PSE TECHNOLOGY INDEX (2)
<S>	<C>	<C>
11/15/95	\$ 10,000	\$ 10,000
12/95	\$ 9,300	\$ 9,819
3/96	\$ 9,340	\$ 9,790
6/96	\$ 10,710	\$ 10,123
9/96	\$ 11,790	\$ 10,803
12/96	\$ 11,785	\$ 11,786
3/97	\$ 10,351	\$ 11,775
6/97	\$ 12,276	\$ 13,735
9/97	\$ 15,982	\$ 16,360
12/97	\$ 12,509	\$ 14,140
3/98	\$ 14,269	\$ 16,837
6/98	\$ 14,958	\$ 16,834
9/98	\$ 13,421	\$ 15,562
12/98	\$ 19,040	\$ 21,860
3/99	\$ 22,114	\$ 24,203
6/99	\$ 24,637	\$ 29,822

</TABLE>

PERFORMANCE UPDATE

<TABLE>  
<CAPTION>

	YEAR TO DATE TOTAL RETURN	ONE-YEAR TOTAL RETURN	TOTAL RETURN SINCE INCEPTION (1)	AVERAGE ANNUAL RETURN SINCE INCEPTION (1)
<S>	<C>	<C>	<C>	<C>
The Information Age Fund-TM-	29.40%	64.71%	146.37%	28.24%
PSE Technology Index (2)	36.42%	77.15%	198.22%	35.18%
S&P 500 Index (3)	12.32%	22.77%	146.26%	28.23%

Performance data quoted represents past performance, and past performance is no guarantee of future results. You should realize that investment return and principal value will fluctuate so that shares, when redeemed, may be worth more or less than their original cost.

(1) Inception date 11/15/95.

(2) The Pacific Stock Exchange (PSE) Technology Index is an unmanaged, price-weighted index of the top 100 U.S. technology stocks. You cannot invest in an index.

(3) The S&P 500 Index is an unmanaged market capitalization-weighted index of 500 stocks designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing

all major industries. It is widely recognized as representative of the stock market in general. Investment results assume the reinvestment of dividends paid on the stocks constituting the index. You cannot invest in an index.

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SEMIANNUAL REPORT

MICROCAP GROWTH FUND

[GRAPHIC]

INVESTMENT STYLE  
GROWTH

SMALL CAP

FUND PHILOSOPHY

The RS MicroCap Growth Fund invests in a diversified portfolio of equity securities of companies with market capitalizations of \$500 million or less. We seek micro-cap companies that we believe have the potential for long-term capital appreciation based on superior or niche products or services, operating characteristics, management, or other factors.

[PHOTO]  
DAVID J.  
EVANS

[PHOTO]  
RAINERIO J.  
REYES

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FUND UPDATE

The RS MicroCap Growth Fund finished the first half of 1999 on a strong note, posting a gain of 19.29% in the second quarter. This compares to a quarterly return of 14.75% for the benchmark Russell 2000 Growth Index. (2) The Fund's return for the first half of the year was 20.55% compared to 12.82% for the Russell 2000 Growth Index.

The second quarter saw a reversal from the first quarter as small stocks outperformed large stocks, as measured by the Russell 2000 and S&P 500 Index. (3) Interestingly, this occurred despite the fact that the Internet sector, which accounted for nearly 10% of the Russell 2000 at the start of the quarter, weakened during this time frame. We believe that weakness in Internet stocks led to a broadening of investor interest within the small-cap sector, reversing a trend that began during the fourth quarter of 1998. As long as it was possible to achieve spectacular gains in almost every Internet Initial Public Offering (IPO), many traditional investors in small-cap stocks looked no further. As the market began to differentiate among Internet stocks and question valuations for the group as a whole, the already attractive micro-cap sector began to receive more attention. Importantly, despite this outperformance, small-cap growth price/earnings ratios (P/Es) advanced modestly and valuations remained at 40-year lows. For this reason, we remain optimistic that investor interest and dollars will continue to seek out opportunities in small- and micro-cap stocks.

Both established holdings as well as recent purchases drove performance in the second quarter. The technology sector was especially strong, but individual securities in healthcare and in products and services made substantial contributions as well. Within technology, we participated in the strong trends exhibited by semiconductors and related capital equipment vendors. Specialty component suppliers such as Cree Research, Inc. (2.66% of the Fund as of 6/30/99) and QLogic Corporation (2.28%) compounded earlier gains with dramatic growth, again validating our efforts at early identification of underfollowed growth companies. Telecommunications and networking continued to exhibit powerful growth dynamics, and holdings such as Performance Technologies, Inc. (2.09%) and Transaction Network Services, Inc. (2.02%) rewarded our patience in accumulating these stocks over the past few years. The greatest contribution to the quarter belonged to Power Integrations, Inc. (2.53%)--a manufacturer of analog integrated circuits that enable more efficient conversion of electric power from AC to DC. These power supply products are used

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RS FUNDS

MICROCAP GROWTH FUND UPDATE -- CONTINUED

to charge cell phone batteries and power a wide range of consumer products. Future applications will result in energy savings, affecting a wide range of appliances.

Due to the negative impact of Medicare reimbursement and the evolution of managed care, the healthcare sector continues to attract less of our assets than it has historically. Nevertheless, opportunities are available and MedE America Corporation (1.09%) stood out in the second quarter. MedE America was an IPO investment during the first quarter and its good performance accelerated when it

agreed to merge with Healthcon Corporation--an early leader in adapting the Internet to healthcare. The company is involved in electronic claims processing and this combination will accelerate its utilization of the Internet.

Once again, our product and services sector produced its share of winners from among its eclectic holdings. Among these were some established positions such as CapRock Communications Corporation (2.33%), a facilities-based integrated communications provider of Internet, multi-media and voice services; Coinstar, Inc. (2.81%), a manufacturer of coin counting machines placed in supermarkets; and Cost Plus, Inc. (1.57%), a retailer of home furnishings and consumables. Newer contributors included Meade Instruments Corporation (0.89%), maker of high quality telescopes for the amateur astronomer; ThrustMaster, Inc. (0.55%), developers of innovative peripherals for PC, video and Internet games; and Universal Electronics, Inc. (0.65%), which manufactures and markets pre-programmed universal remote controls for consumer electronics devices. However, it was Trex Company, Inc. (1.17%) which led the way in the quarter. An IPO that had trouble finding an audience amid the frenzy of Internet fever in April, Trex manufactures an alternative to pressure treated lumber for constructing residential, as well as commercial decks. We had the opportunity to meet management during its IPO road show and found the company to be a compelling growth situation, at a very attractive valuation. Fully expecting that it might take many quarters to attract an audience, we purchased stock on the IPO. We were positively surprised when the discovery process was accelerated beyond all expectations, causing the stock to more than double by quarter end.

Some of our holdings have been highlighted above in order to demonstrate the diversity of businesses in which we invest. These examples also serve to remind us that few stocks enjoy the rapid near-term returns of a Trex, while many can contribute over time if management is consistent in executing a sound business strategy. Our investment process constantly seeks this type of investment opportunity and we remain confident that long-term investments in under-followed and undervalued micro-cap stocks will prove rewarding. We thank our shareholders for their support and encourage new investors to join us.

/s/ David J. Evans

/s/ Rainerio J. Reyes

David J. Evans  
PORTFOLIO MANAGER

Rainerio J. Reyes  
CO-PORTFOLIO MANAGER

July 15, 1999

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International investing can involve greater currency fluctuations and less political and economic stability. Investing in smaller companies can involve more volatility, less liquidity, and less publicly available information. Short selling is the sale of a borrowed security, and the price of the security can increase between the date the security is sold and the date when the fund must replace it. Options and futures may not be perfectly correlated to the underlying index or security.

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#### SEMIANNUAL REPORT

ASSETS UNDER MANAGEMENT: \$86.83 million

#### ASSET ALLOCATION

[CHART]

<TABLE>

<CAPTION>

RS Funds  
Data as of 6-30-99

MICROCAP GROWTH  
Sector

<S>	<C>
Computer Technology	15.9%
Health/Medical/Biotechnology	12.5%
Semiconductors	11.4%
Consumer/Retail	8.7%
Business/Commercial Services	7.8%
Telecommunications	7.3%
Electronic Components	7.2%
Restaurants/Lodging	3.1%
Financial Services	3.1%
Manufacturing/Machinery	2.6%
Miscellaneous/Other Services	2.5%
Broadcast/Radio/Television	2.2%
Total Short Term Investments	6.3%
Other & Other Assets, Net	9.4%
Total	100.00%



</TABLE>

DATA AS OF JUNE 30, 1999

<TABLE>

<CAPTION>

TOP TEN HOLDINGS

<S>

<C>

Coinstar, Inc. ....	2.81%
Cree Research, Inc. ....	2.66%
Power Intergrations, Inc. ....	2.53%
Pervasive Software, Inc. ....	2.44%
Vista Information Solutions, Inc. ....	2.36%
CapRock Communications Corporation ....	2.33%
QLogic Corporation ....	2.28%
American Xtal Technology, Inc. ....	2.19%
Performance Technologies, Inc. ....	2.09%
Transaction Network Services, Inc. ....	2.02%

</TABLE>

RESULTS OF A HYPOTHETICAL \$10,000 INVESTMENT (IF INVESTED ON 8/15/96)

[CHART]

<TABLE>

<CAPTION>

DATE	MCG 10K	R2000G DIV. 10K
<S>	<C>	<C>
8/15/96	\$ 10,000	\$ 10,000
9/96	\$ 10,570	\$ 10,794
12/96	\$ 11,000	\$ 10,822
3/97	\$ 10,200	\$ 9,687
6/97	\$ 12,570	\$ 11,388
9/97	\$ 15,990	\$ 13,315
12/97	\$ 14,350	\$ 12,223
3/98	\$ 16,570	\$ 13,676
6/98	\$ 15,420	\$ 12,890
9/98	\$ 11,630	\$ 10,008
12/98	\$ 14,260	\$ 12,374
3/99	\$ 14,410	\$ 12,166
6/99	\$ 17,190	\$ 13,960

</TABLE>

PERFORMANCE UPDATE

<TABLE>

<CAPTION>

	YEAR TO DATE TOTAL RETURN	ONE-YEAR TOTAL RETURN	TOTAL RETURN SINCE INCEPTION (1)	AVERAGE ANNUAL RETURN SINCE INCEPTION (1)
<S>	<C>	<C>	<C>	<C>
MicroCap Growth Fund	20.55%	11.48%	71.90%	20.74%
Russell 2000 Growth Index(2)	12.82%	8.30%	39.60%	12.31%
S&P 500 Index(3)	12.32%	22.77%	117.17%	30.98%

</TABLE>

Performance data quoted represents past performance, and past performance is no guarantee of future results. You should realize that investment return and principal value will fluctuate so that shares, when redeemed, may be worth more or less than their original cost.

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(1) Inception date 8/15/96.

(2) The Russell 2000 Growth Index is an unmanaged market capitalization-weighted index containing those securities in the Russell 2000 Index with higher price-to-book ratios and higher forecasted growth values. Investment results assume the reinvestment of dividends paid on the stocks constituting the index. You cannot invest in an index.

(3) The S&P 500 Index is an unmanaged market capitalization-weighted index of 500 stocks designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries. It is widely recognized as representative of the stock market in general. Investment results assume the reinvestment of dividends paid on the stocks constituting the index. You cannot invest in an index.

FUND PHILOSOPHY

The RS MidCap Opportunities Fund, formerly the Growth & Income Fund, seeks to achieve long-term total return by investing primarily in mid-cap stocks, convertible bonds, and preferreds. Our flexible, bottom-up approach is based on value recognition and trend analysis. We look for well-managed companies with improving fundamentals that may be positioned for growth. Our formula for long-term success also includes a disciplined approach to managing risk: losses are eliminated quickly, and we are constantly looking for new opportunities.

[PHOTO]  
JOHN L. WALLACE

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FUND UPDATE

The RS MidCap Opportunities Fund returned 23.58% for the six months ending June 30, 1999. We were quite pleased with our performance, especially when compared to our primary benchmark, the Russell Midcap Index(2) which returned 10.34% for the same period. We were also pleased to have outperformed the S&P 500 Index, (3) up only 12.32% for the six months ending June 30.

The MidCap Opportunities Fund primarily invests in equity securities with market capitalizations from \$1.5 billion to \$10 billion. While mid-cap companies, as defined by the Russell Midcap Index, modestly underperformed large-cap S&P 500 companies for the first six months of 1999, there continues to be a strong case for investing in mid-cap companies. Several such reasons include their 20-25% valuation discount to large-cap stocks and nearly equal earnings growth compared to large-caps, and that liquidity and sponsorship for mid-caps is far better than for small-caps.

The technology and telecommunications revolution continues to impact our lives. Our investments in this area were the primary contributors to our performance during the last six months. It has been difficult to keep up with the changes in computer and communications technologies during the past decade. Moore's Law states that microchip power doubles every eighteen months. As semiconductors become faster, computers are able to access and store more information.

The carrying capacity of communications lines (aka bandwidth) is expanding at breakneck speed and its implications for high speed Internet access and data and video products and services are broad. E-commerce and the Internet are a revolution unto themselves. All of these areas have provided positive investment opportunities year to date.

The enormity and rapidity of these changes often makes it difficult to predict the ultimate long-term winners. Our discipline and focus have been on well-managed companies that are at the forefront of new product cycles in the following primary technology sectors: telecom services, wireless, cable, semiconductors, and Internet access and content. We are investing in companies that are adopting new strategies to take advantage of this growth: Primus Telecommunications Group, Inc. (1.26% of the Fund as of 6/30/99) and CapRock Communications Corporation (2.47%) in the telecom services arena are attractive, especially with the likelihood of increased consolidation with established carriers and Regional Bell Operating Companies.

Cellular demand is continuing to rise. The transition from analog to digital is driving penetration levels in the U.S. higher. Our investments in Western Wireless Corporation (0.96%) and Voicestream Wireless (0.54% of the Fund as of 5/3/99) paid off due to accelerated consolidation in the industry. Cable revenue growth continues as new services are being developed and deployed through digital set top boxes.

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SEMIANNUAL REPORT

MIDCAP OPPORTUNITIES FUND UPDATE -- CONTINUED

Rollouts of high speed cable modems continue to be strong. Over the next several years we expect all computers to have built in cable modems. Our favorite stocks in this area include MediaOne Group, Inc. (2.27%), a major cable system operator in the United States, and AT&T Corporation - Liberty Media Group (2.80%), a leading cable and Internet content provider.

Semiconductor sales seem to be improving after a three-year slump. Average

selling prices and unit volumes are improving especially in the communications end markets. We think that our investments in Altera Corporation (0.98%), and Teradyne, Inc. (1.28%) will be beneficiaries of this trend.

The Internet is changing the way people communicate, buy and sell goods and services, and spend their leisure time. Its growth and influence on our lives is coming at a record pace. The Internet industry is broad, encompassing many companies. The challenge for investors is to distinguish the long-term profit potential of many Internet businesses. With many early-stage Internet stocks receiving multi-billion dollar market capitalizations, valuations are virtual, reflecting extremely high expectations of investors. The supply of stock offered by Internet IPOs (according to Ned Davis Research, over 70 YTD vs. 96 total from the last three years) will eventually overwhelm demand. The Internet is still in a developmental stage and economic profits are a fantasy for most companies. Time will separate the long-term survivors from the "also-rans." We are focusing on quality companies and paying attention to risk.

Since 1996 we have been long-term bullish on energy and the oil service sector. The Asian crisis in late 1997-1998 reduced global demand sharply and was instrumental in driving oil prices to the mid-1980's low of \$9-10 per barrel. This year the economies of Asia are improving. OPEC members have cut output quotas and the prices have risen sharply. We have positioned the portfolio to take advantage of what we believe could be a strong rebound in profitability for the service sector in late 1999 and beyond. Growing global demand from countries seeking higher standards of living will lead to increased production and higher prices for oil and natural gas. We know there will be cyclical price swings within the secular trend. Offshore drillers and service companies such as ENSCO International, Inc. (1.32%), Rowan Companies, Inc. (0.94%), and BJ Services Company (0.82%) should benefit from a spending increase by major oil companies. Exploration and production companies such as Apache Corporation (1.29%) and Anadarko Petroleum Corporation (0.96%) have good production profiles and will benefit from stronger natural gas prices.

Our philosophy of searching for above average growth with a disciplined approach to risk management has paid off in the first half of 1999. We want to remind investors that successful equity investing is not a short-term proposition. We remain focused on the long-term.

On behalf of the entire MidCap Opportunities team, we thank you for your support.

/s/ John L. Wallace  
John L. Wallace  
PORTFOLIO MANAGER

July 15, 1999

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International investing can involve greater currency fluctuations and less political and economic stability. Investing in smaller companies can involve more volatility, less liquidity, and less publicly available information. Options and futures may not be perfectly correlated to the underlying index or security. High-yielding, lower-quality debt securities may be considered to be of lower standing and more speculative.

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RS FUNDS

ASSETS UNDER MANAGEMENT: \$196.65 million

ASSET ALLOCATION

[CHART]

<TABLE>

<CAPTION>

RS Funds  
Data as of 6-30-99

MIDCAP OPPORTUNITIES  
SECTOR

<S>	<C>
Telecom Equipment & Services	14.8%
Energy	12.3%
Media	8.6%
Convertible Bonds/Preferred	8.2%
Computer Technology	8.3%
Electronic Components	7.2%
Transportation	3.2%
Consumer & Specialty Retail	5.7%
Other Services	5.5%
Financial	5.0%
Healthcare	3.1%

Business/Commercial Services	2.8%
Environmental Services	2.4%
Network Systems	2.3%
Total Short Term Investments	2.7%
Other & Other Assets, Net	7.9%
Total	100.00%

</TABLE>

DATA AS OF JUNE 30, 1999

<TABLE>

<CAPTION>

TOP TEN HOLDINGS

<S>

<C>

AT&T Corporation - Liberty Media Group	..2.80%
Trans World Airlines, Inc.	.....2.48%
CapRock Communications Corp.	.....2.47%
MediaOne Group, Inc.	.....2.27%
First Sierra Financial, Inc.	.....2.10%
Comdisco, Inc.	.....1.89%
Alliant Techsystems, Inc.	.....1.76%
Montana Power Company	.....1.74%
EchoStar Communications Corp.	.....1.56%
American Power Conversion Corp.	.....1.54%

</TABLE>

RESULTS OF A HYPOTHETICAL \$10,000 INVESTMENT (IF INVESTED ON 7/12/95)

[CHART]

<TABLE>

<CAPTION>

DATE	G&I 10K	RUSSELL MIDCAP 10K
7/12/95	\$ 10,000	\$ 10,000
9/95	\$ 10,760	\$ 10,476
12/95	\$ 11,240	\$ 10,814
3/96	\$ 12,200	\$ 11,465
6/96	\$ 13,330	\$ 11,788
9/96	\$ 13,340	\$ 12,157
12/96	\$ 13,956	\$ 12,868
3/97	\$ 13,526	\$ 12,763
6/97	\$ 15,216	\$ 14,494
9/97	\$ 17,850	\$ 16,419
12/97	\$ 17,082	\$ 16,601
3/98	\$ 19,103	\$ 18,395
6/98	\$ 18,396	\$ 18,118
9/98	\$ 15,907	\$ 15,432
12/98	\$ 19,071	\$ 18,277
3/99	\$ 20,416	\$ 18,192
6/99	\$ 23,567	\$ 20,166

</TABLE>

The Russell Midcap Index replaced the Russell MidCap Growth Index as our primary fund benchmark to more accurately reflect the Fund's investments in mid-cap companies. A hypothetical \$10,000 investment in the Russell MidCap Growth Index, if invested on 7/12/95, would have grown to \$20,766 as of 6/30/99.

PERFORMANCE UPDATE

<TABLE>

<CAPTION>

	YEAR TO DATE TOTAL RETURN	ONE-YEAR TOTAL RETURN	TOTAL RETURN SINCE INCEPTION (1)	AVERAGE ANNUAL RETURN SINCE INCEPTION (1)
MidCap Opportunities Fund	23.58%	28.11%	135.67%	24.10%
Russell Midcap Index(2)	10.34%	11.31%	101.66%	19.33%
S&P 500 Index(3)	12.32%	22.77%	163.27%	27.61%

</TABLE>

Performance data quoted represents past performance, and past performance is no guarantee of future results. You should realize that investment return and principal value will fluctuate so that shares, when redeemed, may be worth more or less than their original cost.

(1) Inception date 7/12/95.

(2) The Russell Midcap Index consists of the smallest 800 securities in the Russell 1000 Index, as ranked by total market capitalization. This index accurately captures the medium sized universe of securities and represents

approximately 30% of the Russell 1000 total market capitalization. You cannot invest in an index.

(3) The S&P 500 Index is an unmanaged market capitalization-weighted index of 500 stocks designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries. It is widely recognized as representative of the stock market in general. Investment results assume the reinvestment of dividends paid on the stocks constituting the index. You cannot invest in an index.

SEMIANNUAL REPORT

PARTNERS FUND

[GRAPHIC]  
INVESTMENT STYLE  
SMALLCAP  
VALUE

FUND PHILOSOPHY

The RS Partners Fund seeks long-term capital growth by investing in equity securities primarily of companies with market capitalization of up to \$1 billion, using a value methodology, combining Graham & Dodd balance sheet analysis with cash flow analysis.

[PHOTO]  
ANDREW P. PILARA, JR.

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FUND UPDATE  
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Let me begin by saying that the small-cap value sector has been the worst-performing sector. At the end of the first quarter, the one year return to March 31, 1999 for the Russell 2000 Value Index(2) was down 22.03%. Except for mid-cap value, the other value and growth indicies were up.

This year the RS Partners Fund is showing improved performance closing up 8.24% year to date, and outperforming its benchmark, the Russell 2000 Value Index, which closed up 5.26%. During the turmoil in the small-cap category we have held to our cash flow discipline and painfully watched stock prices continue to decline. During the second quarter, our patience was rewarded as the Fund provided solid results. Oil and gas price increases helped our energy investments and value stock fundamentals were recognized with better stock prices.

According to the work we are doing with the Holt Advisory cash flow model, the valuation disparity, as measured by cap-rates, between small-cap stocks and large-cap stocks reached record proportions in the first half of the year. We expect that gap to close and for small-caps to trade at a premium to large-caps, as the mature, large companies have difficulty sustaining their historically high returns on capital.

I want to mention one more style indicator before discussing some of our investments. Merrill Lynch quantitative strategist, Richard Bernstein has been producing a quantitative style-rotation indicator. This indicator has strongly favored growth over value for more than four years. At the beginning of May, his indicator suggested that value was more attractive than growth for the first time since the end of 1994. Now that indicator shows 9 of 10 indicies favoring value.

The following are some of the companies we recently purchased or in which we increased our position:

- HON INDUSTRIES, INC. (1.77% of the Fund as of 6/30/99) - The office furniture business had a tough year last year. Expectations are low and industry fundamentals are strong. White-collar employment continues to increase. The emergence of the small-office/home-office (SOHO) market is a plus. Hon has some of the best returns in the industry as the company has been able to effectively allocate capital at high returns to profitably grow their business.
- PITTSTON BRINK'S GROUP (6.24%) - We were able to increase our position in Pittston Brink's in April at historically low valuations. The new CEO of Pittston Brink's, Michael Dan, is using EVA-TM- to focus on increasing shareholder value, including possibly eliminating the tracking stock.
- SUPERIOR TELECOM, INC. (2.27%) - The CEO, Steven Elbaum, has created the market leader in copper wire and

## RS FUNDS

## PARTNERS FUND UPDATE -- CONTINUED

cable. Superior TeleCom has had the highest returns on capital in its industry and is in position to play off the growth of the telecommunications market while enjoying the steady cash flows of its building wire business.

- HOLLINGER INTERNATIONAL, INC. (3.06%) - This is one of the cheapest stocks in the newspaper group. We feel that we are getting the company's Internet assets in the U.K. and Canada, including a large ownership position in the TheTrip.com, for free.

Our energy investments helped boost our performance in the first half of 1999. However, we still see significant upside potential in the area. The small-cap Canadian natural gas producers are still cheap versus their U.S. counterparts even with more favorable fundamentals and a rapidly increasing Canadian natural gas price. We expect significant increases in demand for Canadian natural gas with the opening of new pipelines into the U.S. Meanwhile, despite significant stock price moves to the upside, most of our energy companies are still selling at significant discounts to their Net Asset Values. We are beginning to see mergers and acquisitions activity in the energy area. One of our investments, Canadian Conquest, was purchased by Cypress Energy, Inc. (7.30%). Canadian Conquest's stock price increased 50% in the process. We have held on to the Cypress Energy stock received in the transaction because Cypress Energy is a gas-weighted company with strong management.

We have managed to withstand the under-performance of small-cap stocks of 1998 and early 1999 while maintaining our investment style. While we have diversified in order to bring more balance to the portfolio, we have adhered to our cash flow methodology and valuation metrics. Statistics show that stock price performance correlates closely with returns on capital and very poorly with P/E, so we will continue to look for undervalued companies with superior or improving returns on capital. You can expect us to continue pursuing good business opportunities on a value investor's terms.

Thank you for your support and trust.

/s/ Andrew P. Pilara, Jr.

Andrew P. Pilara, Jr.  
PORTFOLIO MANAGER

July 26, 1999

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International investing can involve greater currency fluctuations and less political and economic stability. Investing in smaller companies can involve more volatility, less liquidity, and less publicly available information. Investing in a more limited number of issuers and sectors can be subject to greater market fluctuation. Options and futures may not be perfectly correlated to the underlying index or security.

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## SEMIANNUAL REPORT

ASSETS UNDER MANAGEMENT: \$33.03 million

## ASSET ALLOCATION

[CHART]  
<TABLE>  
<CAPTION>

PARTNERS FUND SECTOR	%
<S>	<C>
Energy	27.6%
Consumer & Business Services	12.8%
Food	10.5%
Aluminum	9.0%
Energy Services	8.1%
Financial Services	7.0%
Telecommunications	6.1%
Construction and Infrastructure	4.0%
Consumer Goods and Retail	3.1%
Publishing	3.1%

Total Short Term Investments	2.5%
Other & Other Liabilities, Net	6.2%
Total	100.00%

DATA AS OF JUNE 30, 1999

TOP TEN HOLDINGS	
MAXXAM, Inc. ....	8.98%
Cypress Energy, Inc. ....	7.30%
Pittston Brink's Group ....	6.24%
Fresh Del Monte Produce, Inc. ....	6.20%
Place Resources Corporation ....	5.52%
Desjardins Laurentian Financial Corp. ..	5.20%
Sobeys Canada, Inc. ....	4.33%
NQL Drilling Tools, Inc. ....	4.30%
Meritage Corporation ....	4.01%
Paging Network, Inc. ....	3.79%

RESULTS OF A HYPOTHETICAL \$10,000 INVESTMENT (IF INVESTED ON 7/12/95)

[CHART]  
<TABLE>  
<CAPTION>

DATE	PF 10K	RUSSELL 2000 VALUE DIV. 10K
7/12/95	\$ 10,000	\$10,000
9/95	\$ 10,190	\$10,532
12/95	\$ 10,390	\$10,839
3/96	\$ 12,300	\$11,314
6/96	\$ 13,640	\$11,777
9/96	\$ 14,070	\$11,952
12/96	\$ 14,873	\$13,155
3/97	\$ 14,975	\$13,122
6/97	\$ 16,177	\$15,103
9/97	\$ 18,173	\$17,049
12/97	\$ 17,561	\$17,336
3/98	\$ 18,999	\$18,784
6/98	\$ 17,146	\$18,105
9/98	\$ 13,167	\$14,869
12/98	\$ 12,779	\$16,218
3/99	\$ 12,391	\$14,646
6/99	\$ 13,832	\$17,070

PERFORMANCE UPDATE

	YEAR TO DATE TOTAL RETURN	ONE-YEAR TOTAL RETURN	TOTAL RETURN SINCE INCEPTION (1)	AVERAGE ANNUAL RETURN SINCE INCEPTION (1)
Partners Fund	8.24%	-19.33%	38.32%	8.51%
Russell 2000 Value Index(2)	5.26%	-5.72%	70.70%	14.42%
S&P 500 Index(3)	12.32%	22.77%	163.27%	27.61%

Performance data quoted represents past performance, and past performance is no guarantee of future results. You should realize that investment return and principal value will fluctuate so that shares, when redeemed, may be worth more or less than their original cost.

(1) Inception date 7/12/95.

(2) The Russell 2000 Value Index is an unmanaged market capitalization-weighted index composed of those securities in the Russell 2000 Index with lower price-to-book ratios and lower forecasted growth values. Investment results assume the reinvestment of dividends paid on the stocks constituting the index. You cannot invest in an index.

(3) The S&P 500 Index is an unmanaged market capitalization-weighted index of 500 stocks designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries. It is widely recognized as representative of the stock market in general. Investment results assume the reinvestment of dividends

RS FUNDS

VALUE + GROWTH FUND

[GRAPHIC]  
INVESTMENT STYLE  
LARGE CAP MID CAP  
GROWTH

FUND PHILOSOPHY

The RS Value + Growth Fund seeks capital appreciation by investing primarily in companies with favorable relationships between price/earnings ratios and growth rates, and in sectors offering above-average growth potential. We seek to identify specific business sectors poised to benefit from major changes in the marketplace and societal trends. Within these sectors, we conduct bottom-up research, looking for well-managed companies that have low-multiple valuations relative to their peers and are poised to leverage growth opportunities.

[PHOTO]  
RONALD E. ELIJAH

-----  
FUND UPDATE  
-----

The RS Value + Growth Fund recorded modest gains for the second quarter of 1999 after a strong first quarter. During the second quarter, the Fund was up 2.42%, and year to date the Fund was up 12.46%. For the overall market, the S&P 500 Index(3) was up 7.03% for the second quarter and 12.32% year to date.

The second quarter witnessed some exceptional volatility, particularly in the growth sector. The NASDAQ Composite, a more suited measure for growth stocks, experienced no fewer than three drops of approximately 10% or more and each drop occurred in fewer than ten trading sessions. For investors that maintained their long-term conviction that the equity environment is generally still positive, the subsequent rally that followed each decline took the NASDAQ to new record highs. Fortunately, after an early period of market rotation out of growth stocks and into cyclical, growth stocks returned to favor late in the June quarter lifting the Value + Growth Fund into positive territory for the quarter.

The Value + Growth Fund achieved its late quarter rally due to our adherence to our conviction that the U.S. Federal Reserve Bank was not going to adopt an aggressive position on rates. Since rates bottomed out in October 1998 in response to the international currency crisis and deflation fears, the 30-year long bond rate has climbed more than 140 basis points from 4.7% to 6.17% in eight months, an event that generally puts downward pressure on growth stocks. Despite the fact that the U.S. market has rotated into cyclical stocks that tend to do well in inflationary environments, our work continues to convince us that the U.S. economic climate is not inflationary, that interest rates are not going significantly higher, and that growth companies with strong earnings prospects are poised to go higher. We believe this market adjustment process of moving back into growth stocks started late in the June quarter and should continue well into 1999's second half.

The Fund's thematic investment approach remains intact. As we have mentioned in the past, we continue to focus the Fund's investments in sectors of the U.S. economy that we believe possess the best growth prospects for the next five years, which includes consumer retail, healthcare, financial services and technology. These sectors are strong beneficiaries of the aging of the U.S. "baby boomer" generation (almost 80 million strong) and the U.S. and global push for productivity improvement.

The Fund continues to take advantage of the positive impact of the aging baby boomer on the U.S. retail sector. Not only are baby boomers entering their peak earnings years, but they are also currently enjoying the strongest growth in real purchasing power in more than 25 years. Americans are spending this new wealth shopping, as evidenced by the strong U.S. retail sales. The Fund's investments in Circuit City Stores - Circuit City Group (3.59% of the Fund as of June 30, 1999) and Best Buy Co., Inc. (3.80%) did particularly well in



the first quarter as they benefited not only from a robust economy but also from the new digital product cycles. Digital Video Disc (DVD) technology continues to drive consumers into electronics stores. The early adoption of DVD players has significantly outpaced the adoption of the VCR, however, with only a small percentage of the U.S. market penetrated, we continue to remain bullish on these names.

The healthcare sector occasionally runs into periods of uncertainty as it takes center stage in the Washington political arena, accounting for volatility within the healthcare stocks. However, it cannot be ignored that the healthcare sector remains probably the single biggest beneficiary of the aging of the U.S. baby boomer for now, and well into the new millennium. Over the last five years, demand for pharmaceuticals has been experiencing a slight creep in annual demand. This continual increase in the annual demand for pharmaceuticals is expected to persist for at least the next three decades. Remember, the first baby boomer just turned 50 in 1996, with 80 million more to follow in the next 15 years. We continue to be bullish on healthcare and particularly the pharmaceutical industry for the foreseeable future.

Our financial services theme has been in place for a number of years and we believe it is still a very attractive growth sector. After the disturbing second half of 1998 that saw many disappointing earnings announcements, U.S. financial institutions have quickly turned to the positive side with most companies recovering from last Fall's financial crisis and again reporting sequential earnings growth in the March quarter with many expected to report record earnings for the June quarter. A true testament to our long-term investment theme that the low inflationary environment in the U.S. and the baby boomer retirement investing will continue to benefit the financial services industry for 1999 and well into the next decade. Additionally, many of the companies within this sector have or are developing promising web presences that are transforming the delivery of financial services. We regard this as a positive for the sector.

We believe the information technology (IT) sector continues to transform the U.S. and global economy. The IT sector accounts for 8% of U.S. gross domestic product up from 6% a decade ago and has been responsible for 28% of U.S. economic growth since 1991. In the U.S., the IT industry has replaced the automobile industry as the number one manufacturing sector in the economy, having produced 6 million new jobs since 1991, or 40% of total job growth. We believe that the strong growth of the IT sector has resulted from the continual advancement of the microprocessor. The microprocessor's power continues to double about every 24 months, while its cost declines about 20% annually. The result of the microprocessor's increasing power and declining cost has stimulated the worldwide installed base of computers from approximately 50,000 units in 1971 to over 200 million today. As the advancement in microprocessor technology is projected by Intel to continue for another decade, the IT sector continues to offer investors exceptional return opportunities for at least another decade.

In our current economic environment, modest interest rates and no evidence of inflation, we believe that we can continue to be optimistic for the prospects of the companies in which we have invested. We are wary, however, of the nature of markets to constantly undergo change. Therefore, we continue to carefully monitor both macroeconomic and company-specific data. As always, we remain selective in our investments and focused within the business sectors that we believe contain the greatest growth potential for the next five years.

Thank you for your ongoing support.

/s/ Ronald E. Elijah

Ronald E. Elijah  
PORTFOLIO MANAGER

July 23, 1999

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Investing in smaller companies may involve risks such as less publicly available information than larger companies, volatility, and illiquidity. Short selling is the sale of a borrowed security and may involve the risk that the price of the security may increase between the date it is sold and the date the fund must replace the borrowed security. Options and futures involve the risk that their value may not be perfectly correlated to that of the underlying index or security.

## ASSET ALLOCATION

[CHART]

&lt;TABLE&gt;

&lt;CAPTION&gt;

RS Funds  
Data as of 6-30-99

SECTOR	VALUE + GROWTH %
<S>	<C>
Retail	27.0%
Computer Technology	23.8%
Financial	16.5%
Telecom Equipment & Services	8.3%
Pharmaceuticals	6.9%
Medical/HMO's	5.5%
Media	4.9%
Total Short Term Investments	1.4%
Other & Other Liabilities, Net	5.7%
Total	100.00%

&lt;/TABLE&gt;

DATA AS OF JUNE 30, 1999

&lt;TABLE&gt;

&lt;CAPTION&gt;

TOP TEN HOLDINGS

<S>	<C>
Microsoft Corporation .....	4.53%
Texas Instruments, Inc. ....	4.06%
MCI WorldCom, Inc. ....	3.95%
Best Buy Co., Inc. ....	3.80%
Circuit City Stores-Circuit City Group ..	3.59%
Intel Corporation .....	3.56%
Merrill Lynch & Co., Inc. ....	3.44%
Costco Cos., Inc. ....	3.29%
Staples, Inc. ....	3.12%
CVS Corporation .....	2.99%

&lt;/TABLE&gt;

RESULTS OF A HYPOTHETICAL \$10,000 INVESTMENT (IF INVESTED ON 5/12/92)

[CHART]

&lt;TABLE&gt;

&lt;CAPTION&gt;

DATE	V+G 10k	R1000 GROWTH 10k
<S>	<C>	<C>
5/12/92	\$ 10,000	\$ 10,000
6/92	\$ 9,801	\$ 9,766
9/92	\$ 10,099	\$ 10,193
12/92	\$ 11,004	\$ 10,903
3/93	\$ 11,933	\$ 10,810
6/93	\$ 11,943	\$ 10,643
9/93	\$ 12,843	\$ 10,801
12/93	\$ 13,378	\$ 11,217
3/94	\$ 13,890	\$ 10,722
6/94	\$ 13,276	\$ 10,611
9/94	\$ 15,560	\$ 11,428
12/94	\$ 16,469	\$ 11,511
3/95	\$ 18,927	\$ 12,607
6/95	\$ 23,086	\$ 13,845
9/95	\$ 27,536	\$ 15,102
12/95	\$ 23,501	\$ 15,790
3/96	\$ 22,651	\$ 16,638
6/96	\$ 23,429	\$ 17,696
9/96	\$ 24,964	\$ 18,334
12/96	\$ 26,819	\$ 19,441
3/97	\$ 26,198	\$ 19,545
6/97	\$ 30,483	\$ 23,242
9/97	\$ 35,511	\$ 24,989
12/97	\$ 30,523	\$ 25,368
3/98	\$ 34,486	\$ 29,212
6/98	\$ 36,066	\$ 30,538
9/98	\$ 31,352	\$ 27,764
12/98	\$ 38,898	\$ 35,187
3/99	\$ 42,710	\$ 37,424
6/99	\$ 43,746	\$ 38,864

&lt;/TABLE&gt;

PERFORMANCE UPDATE

<TABLE>  
<CAPTION>

	YEAR TO DATE TOTAL RETURN	ONE-YEAR TOTAL RETURN	FIVE-YEAR AVERAGE ANNUAL RETURN	TOTAL RETURN SINCE INCEPTION (1)	AVERAGE ANNUAL RETURN SINCE INCEPTION (1)
<S>	<C>	<C>	<C>	<C>	<C>
Value + Growth Fund	12.46%	21.29%	26.93%	337.46%	22.97%
Russell 1000 Growth Index(2)	10.45%	27.26%	29.65%	288.64%	20.95%
S&P 500 Index(3)	12.32%	22.77%	27.85%	287.46%	20.90%

Performance data quoted represents past performance, and past performance is no guarantee of future results. You should realize that investment return and principal value will fluctuate so that shares, when redeemed, may be worth more or less than their original cost.

(1) Inception date 5/12/92.

(2) The Russell 1000 Growth Index is an unmanaged market capitalization-weighted index containing those securities in the Russell 1000 Index with higher price-to-book ratios and higher forecasted growth values. Investment results assume the reinvestment of dividends paid on the stocks constituting the index. You cannot invest in an index.

(3) The S&P 500 Index is an unmanaged market capitalization-weighted index of 500 stocks designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries. It is widely recognized as representative of the stock market in general. Investment results assume the reinvestment of dividends paid on the stocks constituting the index. You cannot invest in an index.

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SEMIANNUAL REPORT

SCHEDULE OF INVESTMENTS -- THE CONTRARIAN FUND-TM-

<TABLE>  
<CAPTION>

JUNE 30, 1999 (UNAUDITED)	FOREIGN CURRENCY(2)	SHARES	VALUE
COMMON STOCKS - 93.1%			
<S>			
<C>			
<C>			
ADVERTISING - 0.5%			
Snyder Communications, Inc.		20,000	\$ 655,000
			655,000
AGRICULTURAL PRODUCTS - 0.2%			
AgriBioTech, Inc.		44,700	270,994
			270,994
COMPUTER HARDWARE & COMPONENTS - 8.7%			
Apple Computer, Inc.		98,000	4,538,625
Intelligroup, Inc.		27,800	198,075
Micron Electronics, Inc.		139,000	1,398,687
S3, Inc.		122,500	1,113,984
Seagate Technology, Inc.		93,500	2,395,937
Silicon Graphics, Inc.		114,000	1,866,750
SMART Modular Technologies, Inc.		13,500	234,562
			11,746,620
COMPUTER SOFTWARE & SERVICES - 1.5%			
Engineering Animation, Inc.		21,570	457,014
Open Text Corporation		42,100	1,263,000
QuadraMed Corporation		42,700	346,937
			2,066,951
CONSTRUCTION/INFRASTRUCTURE - 6.3%			
Lafarge Corporation(1)		30,000	1,063,125
Lone Star Industries, Inc.(1)		90,000	3,380,625
Southdown, Inc.(1)		20,000	1,285,000
USG Corporation(1)		49,500	2,772,000

8,500,750

-----  
CONSUMER & SPECIALTY RETAIL - 4.7%

CompUSA, Inc.		100,000	743,750
Kmart Corporation		180,000	2,958,750
Payless ShoeSource, Inc.		50,000	2,675,000

-----  
6,377,500-----  
CONSUMER/BUSINESS SERVICES - 4.1%

Pennzoil-Quaker State Company(1)		190,000	2,850,000
Pittston Brink's Group(1)		100,000	2,675,000

-----  
5,525,000-----  
COPPER/GOLD MINING - 3.2%

Indochina Goldfields, Ltd.	CAD	4,359,990	4,271,468
----------------------------	-----	-----------	-----------

-----  
4,271,468-----  
DIAMOND MINING - 2.0%

Diamond Fields International, Ltd. Note	CAD	1,671,900	1,581,474
DiamondWorks, Ltd.	CAD	9,876,485	1,167,788

-----  
2,749,262-----  
DIVERSIFIED OPERATIONS - 1.6%

EdperBrascan Corporation(1)	CAD	60,000	910,104
Onex Corporation(1)	CAD	65,000	1,229,688

-----  
2,139,792

## &lt;CAPTION&gt;

JUNE 30, 1999 (UNAUDITED)	FOREIGN CURRENCY(2)	SHARES	VALUE
---------------------------	---------------------	--------	-------

## &lt;S&gt;

&lt;C&gt;

&lt;C&gt;

## ENERGY - 16.8%

Abacan Resource Corporation		180,000	\$ 22,500
Abacan Resource Corporation	CAD	445,000	60,133
Anderson Exploration, Ltd.	CAD	200,000	2,614,777
Anzoil N.L.	AUD	3,577,471	296,000
Beau Canada Exploration, Ltd.	CAD	700,000	1,064,153
Black Sea Energy, Ltd.	CAD	5,094,600	6,884,363
Black Sea Energy, Ltd. 144A(7)	CAD	485,280	655,761
Eurogas Corporation, 144A(7)	CAD	5,762,400	817,610
K N Energy, Inc.(1)		240,000	3,210,000
PennzEnergy Company(1)		264,600	4,415,512
Petro-Canada(1)	CAD	125,000	1,697,578
Petsec Energy, Ltd.	AUD	226,000	62,829
Petsec Energy, Ltd., ADR(3)		195,100	317,037
Vastar Resources, Inc.(1)		11,000	576,813

-----  
22,695,066-----  
FINANCIAL SERVICES - 6.6%

Dundee Bancorp, Inc., Class A	CAD	843,200	8,915,969
-------------------------------	-----	---------	-----------

-----  
8,915,969-----  
GOLD MINING - 5.8%

Consolidated African Mines, Ltd.	SAR	22,000,000	3,463,522
Durban Roodepoort Deep, Ltd.	SAR	58,400	100,651
Etruscan Resources, Inc.	CAD	2,968,900	1,203,567
First Dynasty Mines, Ltd.	CAD	2,532,850	128,350
Golden Star Resources, Ltd.	CAD	962,600	699,162
GTL Resources PLC	GBP	1,903,132	262,491
Guyanor Resources S.A.	CAD	138,300	44,853
Queenstake Resources, Ltd.	CAD	1,001,000	114,976
Randgold & Exploration Company, Ltd.	SAR	200,000	238,635
Randgold Resources, Ltd. GDR(3)		405,256	1,561,242

-----  
7,817,449-----  
HEALTH CARE SERVICES - 0.3%

Pediatrics Medical Group, Inc.		20,400	433,500
--------------------------------	--	--------	---------

-----  
433,500-----  
MANUFACTURING - 0.3%

Zoltek Companies, Inc.		46,500	369,094
------------------------	--	--------	---------

-----  
369,094-----  
MEDIA - 10.5%

CD Radio, Inc.		187,500	5,712,891
Central European Media Enterprises, Ltd., Class A		120,000	780,000
Metromedia International Group, Inc.		1,030,000	7,725,000
			14,217,891
-----			
NICKEL MINING - 5.8%			
Inco Ltd., VBN Shares(1)	CAD	1,043,050	7,787,374
			7,787,374
-----			
PLATINUM GROUP METALS - 0.1%			
African Minerals, Ltd., 144A, Restricted(4), (5), (7)		698,422	103,367
			103,367
-----			

</TABLE>

See notes to Schedule of Investments on page 51.  
The accompanying notes are an integral part of these financial statements.

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				RS FUNDS
<TABLE>				
<CAPTION>				
JUNE 30, 1999 (UNAUDITED)	FOREIGN CURRENCY(2)	SHARES	VALUE	
-----				
PUBLISHING - NEWSPAPERS - 0.9%				
<S>				
Hollinger International, Inc.(1)		100,000	<C>	\$ 1,187,500
				1,187,500
-----				
REAL ESTATE - 2.7%				
Atlantic Gulf Communities Corporation		638,130		418,773
Brookfield Properties Corporation(1)	CAD	248,000		3,208,811
				3,627,584
-----				
TELECOMMUNICATIONS - 3.2%				
QUALCOMM, Inc.		30,400		4,362,400
				4,362,400
-----				
TELECOMMUNICATIONS SERVICES - 0.2%				
Talk.Com, Inc.		22,200		249,750
				249,750
-----				
TEXTILE-APPAREL MANUFACTURING - 3.4%				
Jones Apparel Group, Inc.		30,000		1,029,375
Liz Claiborne, Inc.(1)		35,000		1,277,500
PT Apac Centertex Corporation, Foreign(8)	IDR	17,668,000		2,309,614
				4,616,489
-----				
TRANSPORTATION SERVICES - 3.7%				
AMR Corporation		45,400		3,098,550
China Yuchai International, Ltd.		1,467,925		1,926,652
				5,025,202
-----				
TOTAL COMMON STOCKS (Cost \$211,589,063)				125,711,972
-----				
CONVERTIBLE PREFERRED STOCKS - 1.1%				
Atlantic Gulf Communities Corporation, Series B		206,778		1,473,293
TOTAL CONVERTIBLE PREFERRED STOCKS (Cost \$2,049,780)				1,473,293

	Par	Value
CONVERTIBLE BONDS - 1.2%		
Randgold and Exploration Company, Ltd., 7.00 %, Due 10/3/01(1)	2,750,000	1,581,250
TOTAL CONVERTIBLE BONDS (Cost \$2,750,000)		1,581,250

	Warrants	Value
WARRANTS - 0.2%		
Atlantic Gulf Communities Corporation, Warrants, Strike \$5.75, Expire 6/23/04(6)	413,556	129,236
DiamondWorks, Ltd., Warrants, Strike CAD 1.65, Expire 7/15/99(6)	CAD 848,485	49
PT Apac Centertex Corporation, Warrants, Strike IDR 1,000, Expire 7/14/01(6)	IDR 2,700,000	103,925
Vengold, Inc., Warrants, Strike \$1.30, Expire 6/30/00(6)	CAD 1,286,000	17,378
TOTAL WARRANTS (Cost \$436,091)		250,588

<CAPTION>				
JUNE 30, 1999 (UNAUDITED)	FOREIGN CURRENCY (2)	OPTIONS	VALUE	
<S>				
OPTIONS - 0.1%				
Harmony Gold Mining Company, Ltd., Options, Strike SAR 6,000, Expire 7/31/01(6)	SAR	9,900	\$	6,562
Normandy Mining, Ltd., Options, Strike AUD 2.50, Expire 4/30/01(6)	AUD	1,673,426		90,829
TOTAL OPTIONS (Cost \$43,533)				97,391

TOTAL INVESTMENTS - 95.7% (Cost \$216,868,467) 129,114,494

DEPOSITS WITH BROKERS FOR SECURITIES SOLD SHORT - 23.8% 32,166,078

SECURITIES SOLD SHORT - (21.7%) (Proceeds \$47,636,757) (29,236,216)

OTHER ASSETS, NET - 2.2% 2,884,143

TOTAL NET ASSETS - 100.0% \$134,928,499

</TABLE>

See notes to Schedule of Investments on page 51.  
The accompanying notes are an integral part of these financial statements.

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 SCHEDULE OF SECURITIES SOLD SHORT -- THE CONTRARIAN FUND-TM-

<TABLE>

<CAPTION>

JUNE 30, 1999 (UNAUDITED)	FOREIGN CURRENCY (2)	SHARES	VALUE
-----			
COMMON STOCKS - 21.7%			
-----			
<S>		<C>	<C>
-----			
Agricultural Products - 0.3%			
AgriBioTech, Inc.		74,500	\$ 451,657
			451,657
-----			
COMPUTER HARDWARE & COMPONENTS - 0.2%			
SMART Modular Technologies, Inc.		13,500	234,562
			234,562
-----			
COMPUTER SERVICES - 1.0%			
Ceridian Corporation		34,700	1,134,256
Intelligroup, Inc.		27,800	198,075
Sapient Corporation		1,200	67,950
			1,400,281
-----			
COMPUTER-SOFTWARE - 1.8%			
Engineering Animation, Inc.		21,570	457,014
Open Text Corporation		63,700	1,911,000
Peregrine Systems, Inc.		1,600	41,100
			2,409,114
-----			
COMPUTER SOFTWARE & SERVICES - 1.2%			
DAOU Systems, Inc.		1,700	9,775
InteliData Technologies Corporation		159,100	397,750
MICROS Systems, Inc.		27,500	935,000
QuadraMed Corporation		42,700	346,937
			1,689,462
-----			
CONSULTING SERVICES - 0.6%			
USWeb Corporation		34,100	756,594
			756,594
-----			
CONSUMER & SPECIALTY RETAIL - 1.9%			
Action Performance Companies, Inc.		41,300	1,362,900
French Fragrances, Inc.		62,600	457,763
West Marine, Inc.		55,800	812,588
			2,633,251
-----			
DATA PROCESSING SERVICES/SYSTEM INTEGRATION - 0.8%			
Acxiom Corporation		34,800	867,825
INSpire Insurance Solutions, Inc.		2,800	40,600
LHS Group, Inc.		3,400	112,625
			1,021,050
-----			
EDUCATION & TRAINING - 0.4%			
Sylvan Learning Systems, Inc.		21,700	589,969
			589,969
-----			
ELECTRONICS - 0.4%			
Lernout & Hauspie Speech Products NV		14,369	509,201
			509,201
-----			
FINANCIAL SERVICES - 1.8%			
Delta Financial Corporation		377,318	2,405,402
			2,405,402
-----			
HEALTH CARE SERVICES - 1.0%			
Pediatrics Medical Group, Inc.		64,300	1,366,375
			1,366,375
-----			

<CAPTION>

JUNE 30, 1999 (UNAUDITED)	FOREIGN CURRENCY(2)	SHARES	VALUE
-----			
MANUFACTURING - 1.1%			
-----			
<S>		<C>	<C>
Zoltek Companies, Inc.		184,400	\$ 1,463,675
			1,463,675
-----			
MEDICAL SERVICES - 0.7%			
-----			
STERIS Corporation		49,700	962,938
			962,938
-----			
MEDICAL-INSTRUMENTS & DEVICES - 1.2%			
-----			
Ventana Medical Systems, Inc.		82,000	1,568,250
			1,568,250
-----			
MEDICAL-SUPPLIES - 0.2%			
-----			
Enzo Biochem, Inc.		25,385	250,677
			250,677
-----			
OFFICE EQUIPMENT - 0.5%			
-----			
Xeikon N.V. ADR(3)		30,500	693,875
			693,875
-----			
PHARMACEUTICALS - 3.3%			
-----			
Elan Corporation PLC ADR(3)		81,400	2,258,850
Watson Pharmaceuticals, Inc.		61,499	2,156,309
			4,415,159
-----			
SEMICONDUCTORS & COMPONENTS - 3.1%			
-----			
Micron Technology, Inc.		67,300	2,713,031
Rambus, Inc.		15,700	1,447,344
			4,160,375
-----			
TELECOMMUNICATION SERVICES - 0.2%			
-----			
SmarTalk TeleServices, Inc.		51,100	4,599
Talk.Com, Inc.		22,200	249,750
			254,349
-----			
TOTAL SECURITIES SOLD SHORT (Proceeds \$47,636,757)			\$ 29,236,216
-----			

</TABLE>

See notes to Schedule of Investments on page 51.  
The accompanying notes are an integral part of these financial statements.

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RS FUNDS

-----  
SCHEDULE OF INVESTMENTS -- DIVERSIFIED GROWTH FUND

<TABLE>

<CAPTION>

JUNE 30, 1999 (UNAUDITED)	FOREIGN CURRENCY(2)	SHARES	VALUE
-----			
<S>		<C>	<C>
COMMON STOCKS - 94.7%			
-----			
BROADCASTING/RADIO/TV - 0.1%			
-----			
Film Roman, Inc.		40,000	\$ 117,500
			117,500
-----			
BUSINESS SERVICES - 1.0%			
-----			
United Shipping & Technology, Inc.		337,586	970,560
			970,560
-----			
CHEMICALS - 0.5%			



Airgas, Inc.	43,000	526,750	
		526,750	
-----			
COMMERCIAL SERVICES - 3.1%			
Condor Technology Solutions, Inc.	173,000	810,937	
Medaphis Corporation	139,200	800,400	
Quanta Services, Inc.	32,500	1,430,000	
		3,041,337	
-----			
COMMUNICATIONS EQUIPMENT - 1.4%			
Research in Motion Ltd.	70,000	1,417,500	
		1,417,500	
-----			
COMPUTER SOFTWARE - 6.9%			
Artisoft, Inc.	210,000	1,063,125	
BEA Systems, Inc.	45,000	1,285,312	
Concentric Networking Corporation	25,000	993,750	
Macromedia, Inc.	32,500	1,145,625	
Verity, Inc.	30,000	1,625,625	
WebTrends Corporation	15,000	691,875	
		6,805,312	
-----			
COMPUTER SOFTWARE & SERVICES - 1.4%			
InfoNow Corporation	250,000	1,031,250	
Information Advantage, Inc.	95,000	388,906	
		1,420,156	
-----			
CONSUMER & SPECIALTY RETAIL - 3.4%			
BJ's Wholesale Club, Inc.	35,000	1,052,187	
CompUSA, Inc.	140,000	1,041,250	
Krause's Furniture, Inc.	390,000	1,145,625	
Shop At Home, Inc.	15,600	138,937	
		3,377,999	
-----			
DATA PROCESSING SERVICES - 0.8%			
Intranet Solutions, Inc.	93,000	784,687	
		784,687	
-----			
ELECTRONIC COMPONENTS - 5.5%			
American Power Conversion Corporation	65,000	1,308,125	
Cymer, Inc.	35,000	875,000	
Photon Dynamics, Inc.	35,000	420,000	
Sanmina Corp.	15,000	1,138,125	
Sawtek, Inc.	37,500	1,720,312	
		5,461,562	
-----			
ENERGY - 3.8%			
Apache Corporation(1)	27,500	1,072,500	
Devon Energy Corporation(1)	25,000	893,750	
Ensign Resource Service Group, Inc.(1)	CAD 35,000	701,159	
Key Energy Services, Inc.	175,000	623,438	
Noble Drilling Corporation	22,500	442,969	
		3,733,816	
-----			
ENERGY SERVICES - 5.6%			
BJ Services Company	30,000	883,125	
Bonus Resource Services Corporation	CAD 621,300	944,512	
ENSCO International, Inc.(1)	40,000	797,500	
NS Group, Inc.	60,000	555,000	
Rowan Companies, Inc.	40,000	737,500	
The Montana Power Company(1)	23,000	1,621,500	
		5,539,137	
-----			
<CAPTION>			
JUNE 30, 1999 (UNAUDITED)	FOREIGN CURRENCY (2)	SHARES	VALUE
-----			
<S>		<C>	<C>
ENTERTAINMENT - 0.2%			
Carmike Cinemas, Inc.		14,300	\$ 227,906
			227,906
-----			
ENVIROMENTAL SERVICES - 2.2%			

Capital Environmental Resource, Inc.	90,000	1,305,000
Republic Services, Inc., Class A	35,000	866,250
		2,171,250
-----		
FINANCIAL SERVICES - 2.1%		
First Sierra Financial, Inc.	82,100	2,052,500
		2,052,500
-----		
INTERNET CAPITAL SERVICES - 9.3%		
About.com, Inc.	10,000	518,750
Backweb Technologies Ltd.	2,000	54,750
F5 Networks, Inc.	25,000	1,025,000
Netmoves Corporation	185,000	1,017,500
Netopia, Inc.	50,000	1,137,500
Network Solutions, Inc., Class A	17,500	1,384,687
nFront, Inc.	31,000	470,813
Persistence Software, Inc.	2,400	32,700
Security First Technologies Corporation	25,000	1,128,125
SoftNet Systems, Inc.	50,000	1,393,750
StarMedia Network, Inc.	850	54,506
Telescan, Inc.	35,000	850,938
Viant Corporation	4,300	150,500
		9,219,519
-----		
INTERNET COMMERCE - 0.5%		
Goto.com, Inc.	8,900	249,200
Homeseekers.com, Inc.	32,600	154,850
Stamps.com, Inc.	5,000	87,500
		491,550
-----		
MACHINERY - 1.5%		
SpeedFam-IPEC, Inc.	50,000	803,125
Turbochef Technologies, Inc.	65,000	625,625
		1,428,750
-----		
MEDIA - 8.4%		
AT&T Corp. - Liberty Media Group, Class A	35,000	1,286,250
LodgeNet Entertainment Corporation	87,200	1,215,350
New Frontier Media, Inc., Private Placement(4,5)	500,000	3,262,500
The Kushner-Locke Company, Inc.	149,700	973,050
ValueVision International, Inc., Class A	80,000	1,590,000
		8,327,150
-----		
MEDICAL - BIOMEDICAL/GENETICS - 1.3%		
Enzon, Inc.	35,000	724,062
Novavax, Inc., Private Placement(4,5)	180,000	567,000
		1,291,062
-----		
MEDICAL INSTRUMENTS & DEVICES - 3.5%		
CardioThoracic Systems, Inc.	52,500	735,000
Endocardial Solutions, Inc.	100,000	943,750
Sabratek Corporation	80,000	1,750,000
		3,428,750
-----		
PHARMACEUTICALS - 0.8%		
Guilford Pharmaceuticals, Inc.	60,000	765,000
		765,000
-----		
RESTAURANTS - 1.4%		
Galveston's Steakhouse Corp.	24,500	165,375
Taco Cabana, Inc., Class A	120,000	1,222,500
		1,387,875
-----		

</TABLE>

See notes to Schedule of Investments on page 51.  
The accompanying notes are an integral part of these financial statements.

-----  
 SCHEDULE OF INVESTMENTS -- DIVERSIFIED GROWTH FUND -- CONTINUED

<TABLE>

<CAPTION>

JUNE 30, 1999 (UNAUDITED)	FOREIGN CURRENCY (2)	SHARES	VALUE
-----			
<S>		<C>	<C>
SEMICONDUCTORS & COMPONENTS - 3.0%			
Altera Corporation		25,000	\$ 920,313
Cypress Semiconductor Corporation		70,000	1,155,000
ESS Technology, Inc.		65,000	873,437
			2,948,750
-----			
TELECOMMUNICATIONS - 4.7%			
Advanced Radio Telecom Corporation		50,000	718,750
Aerial Communications, Inc.		30,000	405,000
Primus Telecommunications Group, Inc.		115,000	2,580,313
PT Telekomunikasi Indonesia ADR(1,3)		72,900	906,694
			4,610,757
-----			
TELECOMMUNICATIONS EQUIPMENT - 5.2%			
ANADIGICS, Inc.		40,000	1,480,000
Digital Microwave Corporation		90,000	1,147,500
Excel Switching Corporation		55,000	1,646,563
Picturetel Corporation		50,000	400,000
SymmetriCom, Inc.		45,000	365,625
Vari-L Company, Inc.		15,000	128,438
			5,168,126
-----			
TELECOMMUNICATIONS SERVICES - 16.1%			
CapRock Communications Corporation		90,000	3,645,000
Cyberfast Systems, Inc.		45,000	476,719
DSET Corporation		100,000	1,393,750
ICG Communications, Inc.		35,000	748,125
ICO Global Communications (Holdings) Ltd.		5,000	30,156
IXC Communication, Inc.		55,000	2,162,188
MGC Communications, Inc.		25,000	650,000
Omnipoint Corporation		50,000	1,446,875
Startec Global Communications Corporation		245,400	2,975,475
Viatel, Inc.		20,000	1,122,500
Western Wireless Corporation, Class A		45,000	1,215,000
			15,865,788
-----			
TRANSPORTATION SERVICES - 1.0%			
Simon Transportation Services, Inc.		188,600	931,213
			931,213
-----			
TOTAL COMMON STOCKS (Cost \$75,608,920)			
			93,512,262
-----			
CONVERTIBLE PREFERRED STOCKS - 2.5%			
-----			
AIRLINES - 0.5%			
Trans World Airlines, Inc., 8.00%, Expire 12/31/49(1)		27,000	523,125
			523,125
-----			
BUSINESS SERVICES - 0.6%			
United Shipping & Technology, Inc., Series A		200,000	575,000
			575,000
-----			
COAL - 0.9%			
Westmoreland Coal, Inc., 8.50%, Series A, Expire 12/31/49		50,000	912,500
			912,500
-----			
ENERGY - 0.5%			
Kelley Oil & Gas Corporation, \$2.625, Expire 12/31/49		100,000	487,500

487,500

TOTAL CONVERTIBLE PREFERRED STOCKS (Cost \$1,645,112) 2,498,125

<CAPTION>  
 JUNE 30, 1999 (UNAUDITED)

<S> RIGHTS VALUE  
 RIGHTS - 0.0% <C> <C>

ICO Global Communications (Holdings) Ltd. \$ 5,000

TOTAL RIGHTS (Cost \$0) 5,000

WARRANTS VALUE

WARRANTS - 0.2%

Novavax, Inc., Warrants, Restricted, Strike \$3.75,  
 Expire 4/13/02(4,5,6) 40,000 62,510

United Shipping & Technology, Inc., Warrants  
 Strike \$1.75, Expire 4/30/01(6) 100,000 155,834

TOTAL WARRANTS (Cost \$95,086) 218,344

CONTRACTS VALUE

CALL OPTIONS - 0.3%

AT&T Corporation-Liberty Media Group,  
 Strike 35, Expire 7/17/99(6) 400 92,500

CompUSA, Inc., Strike 10, Expire 7/17/99(6) 650 9,375

The Bank of Tokyo-Mitsubishi, Ltd.,  
 Strike 15, Expire 7/17/99(6) 1,000 16,250

The Montana Power Company, Strike 75,  
 Expire 7/17/99(6) 600 112,500

The Montana Power Company, Strike 80,  
 Expire 7/17/99(6) 400 21,250

TOTAL CALL OPTIONS (Cost \$554,025) 251,875

VALUE

SHORT TERM INVESTMENTS - 0.5%

Temporary Investment Cash Fund 244,124

Temporary Investment Fund 244,123

TOTAL SHORT TERM INVESTMENTS (Cost \$488,247) 488,247

TOTAL INVESTMENTS - 98.2% (Cost \$78,391,390) 96,968,853

SHORT PUT OPTIONS - (0.1%) (Premiums \$156,875) (70,000)

OTHER ASSETS, NET - 1.9% 1,830,218

-----  
 -----  
 -----  
 TOTAL NET ASSETS - 100.0% \$98,729,071  
 -----  
 -----

</TABLE>

-----  
 SHORT PUT OPTIONS  
 -----

<TABLE>

<CAPTION>

JUNE 30, 1999 (UNAUDITED) CONTRACTS VALUE

-----  
 -----  
 <S> <C> <C>  
 -----

SHORT PUT OPTIONS - 0.0%

-----  
 Philadelphia Stock Exchange/KBW Bank Index,  
 Strike 830, Expire 7/17/99(6) 200 \$ 70,000  
 -----

-----  
 TOTAL SHORT PUT OPTIONS (Premiums \$156,875) \$ 70,000  
 -----

</TABLE>

See notes to Schedule of Investments on page 51.

The accompanying notes are an integral part of these financial statements.

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RS FUNDS

-----  
 SCHEDULE OF INVESTMENTS -- EMERGING GROWTH FUND

<TABLE>

<CAPTION>

JUNE 30, 1999 (UNAUDITED) SHARES VALUE

-----  
 -----  
 <S> <C> <C>  
 -----

COMMON STOCKS - 96.6%

ADVERTISING - 2.0%

Lamar Advertising Company 160,250 \$ 6,560,234  
 Outdoor Systems, Inc. 221,500 8,084,750  
 TMP Worldwide, Inc. 92,600 5,880,100  
 -----

20,525,084

BIOTECHNOLOGY - 1.8%

Abgenix, Inc. 40,800 810,900  
 Albany Molecular Research, Inc. 25,000 743,750  
 Gilead Sciences, Inc. 82,500 4,310,625  
 Leukosite, Inc. 170,600 2,047,200  
 Medimmune, Inc. 146,900 9,952,475  
 -----

17,864,950

BROADCASTING/RADIO/TV - 2.3%

Capstar Broadcasting Corporation, Class A 74,000 2,025,750  
 Chancellor Media Corporation, Class A 92,000 5,071,500  
 Citadel Communications Corporation 212,950 7,706,128  
 Clear Channel Communications, Inc. 1 69  
 Cox Radio, Inc., Class A 34,600 1,877,050  
 Hispanic Broadcasting Corporation 85,800 6,510,075  
 -----

23,190,572

BUSINESS SERVICES - 2.4%

@plan, Inc. 259,850 3,897,750  
 Diamond Technology Partners, Inc. 127,800 2,859,525  
 Labor Ready, Inc. 189,450 6,157,125  
 -----

Nextera Enterprises, Inc., Class A	179,500	1,155,531
On Assignment, Inc.	170,400	4,451,700
Provant, Inc.	174,800	2,720,325
StaffMark, Inc.	50,000	501,562
USWeb Corporation	104,600	2,320,812
		24,064,330
-----		
COMMERCIAL SERVICES - 2.3%		
Coinstar, Inc.	285,800	8,198,887
Concord EFS, Inc.	86,500	3,660,031
MemberWorks, Inc.	57,500	1,667,500
Nielson Media Research, Inc.	149,100	4,361,175
Student Advantage, Inc.	430,000	4,085,000
Towne Services, Inc.	128,100	1,008,787
		22,981,380
-----		
COMMUNICATIONS EQUIPMENT - 1.0%		
Research in Motion, Ltd.	485,700	9,835,425
		9,835,425
-----		
COMPUTER HARDWARE & COMPONENTS - 0.1%		
Brocade Communications Systems, Inc.	4,450	429,147
		429,147
-----		
COMPUTER SERVICES - 1.1%		
Answerthink Consulting Group, Inc.	264,500	6,678,625
Cognizant Technology Solutions Corporation	85,000	2,215,312
ECsoft Group, ADR(3)	134,500	2,109,969
		11,003,906
-----		
COMPUTER SOFTWARE - 8.5%		
BEA Systems, Inc.	136,200	3,890,212
Check Point Software Technologies, Ltd.	190,900	10,237,012
<CAPTION>		
JUNE 30, 1999 (UNAUDITED)	SHARES	VALUE
-----		
<S>	<C>	<C>
Concentric Networking Corporation	279,200	\$ 11,098,200
Cybear, Inc.	208,450	2,905,272
ESPS, Inc.	301,200	2,240,175
Exchange Applications, Inc.	17,500	713,125
Inktomi Corporation	57,100	7,455,119
Legato Systems, Inc.	70,000	4,042,500
Macromedia, Inc.	179,400	6,323,850
Macrovision Corporation	62,000	4,642,250
Micromuse, Inc.	10,900	543,637
Rational Software Corporation	145,000	4,775,937
Sagent Technology, Inc.	27,400	236,325
SERENA Software, Inc.	25,000	335,937
Siebel Systems, Inc.	239,700	15,910,087
VERITAS Software Corporation	80,500	7,642,469
Verity, Inc.	50,000	2,709,375
		85,701,482
-----		
COMPUTER SOFTWARE & SERVICES - 4.7%		
Advent Software, Inc.	48,350	3,239,450
BindView Development Corporation	146,500	3,479,375
Business Objects S.A., ADR(3)	80,000	2,920,000
Cambridge Technology Partners, Inc.	105,000	1,844,062
Concord Communications, Inc.	55,000	2,475,000
ISS Group, Inc.	108,000	4,077,000
MASTECH Corporation	221,800	4,131,025
Mercury Interactive Corporation	227,600	8,051,350
Netegrity, Inc.	377,300	6,225,450
PeopleSoft, Inc.	200,000	3,450,000
TSI International Software, Ltd.	274,200	7,780,425
		47,673,137
-----		
CONSUMER & SPECIALTY RETAIL - 4.6%		
1-800-Contacts, Inc.	20,000	375,000
American Eagle Outfitters, Inc.	150,000	6,825,000
Bebe Stores, Inc.	231,300	7,864,200
Cost Plus, Inc.	40,000	1,820,000
Factory 2-U Stores, Inc.	85,200	1,576,200
General Nutrition Companies, Inc.	50,000	1,165,625

Linens 'n Things, Inc.	186,500	8,159,375
Pacific Sunwear of California, Inc.	297,150	7,243,031
The J. Jill Group, Inc.	396,150	5,793,694
The Wet Seal, Inc.	193,000	5,524,625
		46,346,750
-----		
DATA PROCESSING SERVICES/SYSTEM INTEGRATION - 1.3%		
International Network Services, Inc.	145,250	5,864,469
SEI Investments Company(1)	78,900	6,962,925
		12,827,394
-----		
EDUCATION & TRAINING - 0.3%		
Education Management Corporation	139,000	2,884,250
		2,884,250
-----		
ELECTRONIC COMPONENTS - 3.2%		
American Power Conversion Corporation	120,000	2,415,000
Dionex Corporation	50,000	2,025,000
Power Intergrations, Inc.	214,100	15,656,062
Sawtek, Inc.	196,400	9,009,850
</TABLE>		

See notes to Schedule of Investments on page 51.  
The accompanying notes are an integral part of these financial statements.

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SEMIANNUAL REPORT

-----  
SCHEDULE OF INVESTMENTS -- EMERGING GROWTH FUND -- CONTINUED

<TABLE>

<CAPTION>

JUNE 30, 1999 (UNAUDITED)

	SHARES	VALUE
-----		
<S>	<C>	<C>
Teradyne, Inc.	50,000	\$ 3,587,500
		32,693,412
-----		
ENERGY - 0.4%		
Patterson Energy, Inc.	423,800	4,185,025
		4,185,025
-----		
ENERGY SERVICES - 1.6%		
Cooper Cameron Corporation	263,600	9,769,675
Smith International, Inc.	151,400	6,576,438
		16,346,113
-----		
ENTERTAINMENT - 0.4%		
JAKKS Pacific, Inc.	136,400	4,066,425
		4,066,425
-----		
ENVIRONMENTAL SERVICES - 0.3%		
Superior Services, Inc.	105,200	2,807,525
		2,807,525
-----		
FINANCIAL SERVICES - 3.7%		
Donaldson, Lufkin & Jenrette, Inc.- DLJdirect	12,900	380,550
E-Loan, Inc.	16,300	628,569
Financial Federal Corporation	204,700	4,503,400
Investment Technology Group, Inc.(1)	120,870	3,913,166
Knight/Trimark Group, Inc.	252,600	15,234,937
MBNA Corporation(1)	212,100	6,495,562
Microfinancial, Inc.(1)	175,700	2,514,706
National Discount Brokers Group, Inc.	35,150	2,038,700
TD Waterhouse Group, Inc.	3,800	95,237
Wit Capital Group, Inc.	42,550	1,446,700
		37,251,527
-----		
HEALTH CARE SERVICES - 0.2%		
Covance, Inc.	65,000	1,555,938
		1,555,938
-----		





1,457,097

-----  
MEDICAL-INSTRUMENTS & DEVICES - 6.1%

Biomatrix, Inc.	195,000	4,216,875
CLOSURE Medical Corporation	25,000	750,000
Cytec Corporation	262,300	5,114,850
Eclipse Surgical Technologies, Inc.	233,900	2,529,044
Laser Vision Centers, Inc.	250,300	15,768,900
LaserSight, Inc.	70,000	1,137,500
LCA-Vision, Inc.	523,000	4,870,438
ResMed, Inc.	178,300	5,917,331

&lt;/TABLE&gt;

See notes to Schedule of Investments on page 51.

The accompanying notes are an integral part of these financial statements.

40

RS FUNDS

-----  
<TABLE>

&lt;CAPTION&gt;

JUNE 30, 1999 (UNAUDITED)

SHARES

VALUE

<S>	<C>	<C>
Summit Technology, Inc.	222,500	\$ 4,895,000
TLC, The Laser Center, Inc.	80,350	3,856,800
VISIX, Inc.	94,200	7,459,463
Xomed Surgical Products, Inc.	96,600	4,703,213
		61,219,414

-----  
NETWORK SYSTEMS - 1.5%

Network Appliance, Inc.	141,800	7,923,075
Novell, Inc.	275,000	7,287,500

-----  
15,210,575-----  
PHARMACEUTICALS - 0.4%

Dusa Pharmaceuticals, Inc.	175,700	2,031,531
Pharmacyclics, Inc.	40,900	1,145,200
VaxGen, Inc.	80,100	1,311,637

-----  
4,488,368-----  
REAL ESTATE - 0.9%

CB Richard Ellis Services, Inc.	265,400	6,601,825
Trammell Crow Company	164,200	2,699,038

-----  
9,300,863-----  
REAL ESTATE INVESTMENT TRUST - 0.2%

Patriot American Hospitality, Inc.(1)	497,200	2,237,400
---------------------------------------	---------	-----------

-----  
2,237,400-----  
RESTAURANTS - 0.2%

Garden Fresh Restaurant Corporation	50,000	937,500
PJ America, Inc.	61,000	1,292,438

-----  
2,229,938-----  
SEMICONDUCTORS & COMPONENTS - 6.8%

Alpha Industries, Inc.	100,000	4,762,500
American Xtal Technology, Inc.	20,000	476,250
Applied Micro Circuits Corporation	101,648	8,360,548
Conexant Systems, Inc.	141,900	8,239,069
Cree Research, Inc.	218,100	16,780,069
Dupont Photomasks, Inc.	7,500	359,063
Genesis Microchip, Inc.	167,600	3,959,550
KLA-Tencor Corporation	25,000	1,621,875
Lam Research Corporation	50,000	2,334,375
MIPS Technologies, Inc.	50,000	2,396,875
MKS Instruments, Inc.	50,000	931,250
Novellus Systems, Inc.	25,000	1,706,250
TranSwitch Corporation	229,000	10,848,875
Triquint Semiconductor, Inc.	107,000	6,078,938

-----  
68,855,487-----  
TELECOMMUNICATIONS - 4.9%

Allegiance Telecom, Inc.	259,200	14,223,600
--------------------------	---------	------------

EchoStar Communications Corporation	108,600	16,663,313
Harmonic, Inc.	45,000	2,584,688
Metromedia Fiber Network, Inc., Class A	125,800	4,520,938
Metro One Telecommunications, Inc.	50,000	687,500
Midcom Communications, Inc.	60,000	2,100
Primus Telecommunications Group, Inc.	488,000	10,949,500

49,631,639

TELECOMMUNICATIONS EQUIPMENT - 2.1%

American Tower Corporation, Class A	176,900	4,245,600
ANADIGICS, Inc.	60,000	2,220,000

<CAPTION>

JUNE 30, 1999 (UNAUDITED) SHARES VALUE

<S>	<C>	<C>
ANTEC Corporation	65,000	\$ 2,084,063
Ditech Communications Corp.	125,500	2,510,000
Pinnacle Holdings, Inc.	90,000	2,205,000
RF Micro Devices, Inc.	104,200	7,775,925

21,040,588

TELECOMMUNICATIONS SERVICES - 5.7%

CapRock Communications Corporation	189,700	7,682,850
Cox Communications, Inc.	117,800	4,336,512
Destia Communications, Inc.	163,250	2,020,219
DSET Corporation	239,800	3,342,213
ICG Communications, Inc.	270,700	5,786,213
McLeodUSA, Inc.	119,800	6,589,000
Nextlink Communications, Inc.	66,400	4,938,500
PanAmSat Corporation	200,600	7,810,863
Powerwave Technologies, Inc.	125,000	4,031,250
Teligent, Inc., Class A	69,900	4,180,894
Viatel, Inc.	116,200	6,521,725

57,240,239

TEXTILE-APPAREL MANUFACTURING - 0.8%

Quicksilver, Inc.	207,050	5,396,241
Tarrant Apparel Group	104,800	2,384,200

7,780,441

TRANSPORTATION - 0.3%

Forward Air Corporation	111,000	3,121,875
-------------------------	---------	-----------

3,121,875

TRAVEL SERVICES - 1.2%

Extended Stay America, Inc.	435,800	5,229,600
Four Seasons Hotels, Inc.(1)	161,300	7,107,281
Interstate Hotels Corp.	16,573	68,365

12,405,246

TOTAL COMMON STOCKS (Cost \$740,500,219)

973,176,710

<CAPTION>

PAR VALUE

<S> <C> <C>

CONVERTIBLE BONDS - 0.0%

Midcom Communications, Inc., 8.25%,

Due 8/15/03, 144A(4,7,10) 1,000,000 160,000

TOTAL CONVERTIBLE BONDS (Cost \$1,000,000)

160,000

<CAPTION>

VALUE

SHORT TERM INVESTMENTS - 3.8%

Temporary Investment Cash Fund	18,973,359
Temporary Investment Fund	18,973,359

---

TOTAL SHORT TERM INVESTMENTS (Cost \$37,946,718)	37,946,718
--	------------

---



---

TOTAL INVESTMENTS - 100.4% (Cost \$779,446,937)	1,011,283,428
---	---------------

---



---

OTHER LIABILITIES, NET - (0.4%)	(3,581,336)
---------------------------------	-------------

---



---

TOTAL NET ASSETS - 100.0%	\$1,007,702,092
---------------------------	-----------------

---

</TABLE>

See notes to Schedule of Investments on page 51.  
The accompanying notes are an integral part of these financial statements.

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SEMIANNUAL REPORT

---

SCHEDULE OF INVESTMENTS -- GLOBAL NATURAL RESOURCES FUND

<TABLE>

<CAPTION>

JUNE 30, 1999 (UNAUDITED)	FOREIGN CURRENCY (2)	SHARES	VALUE
---------------------------	----------------------	--------	-------

---

COMMON STOCKS - 99.5%

<S>	<C>	<C>	<C>
ALUMINUM - 4.6%			
MAXXAM, Inc.		24,700	\$ 1,593,150
			1,593,150

---

ENERGY - 66.4%

Anadarko Petroleum Corporation(1)		32,000	1,178,000
Anderson Exploration, Ltd.	CAD	120,000	1,568,866
Beau Canada Exploration, Ltd.	CAD	504,600	767,103
Berkley Petroleum Corporation	CAD	160,000	1,335,090
Burlington Resources, Inc.(1)		23,000	994,750
Calahoo Petroleum, Ltd.	CAD	633,333	898,618
Canadian Hunter Exploration, Ltd.	CAD	155,000	2,324,921
Cypress Energy, Inc., Class A	CAD	207,611	834,624
EEX Corporation		162,300	1,125,956
Enron Corporation		10,000	817,500
Evergreen Resources, Inc.		20,000	503,750
Eurogas Corporation	CAD	637,514	90,455
Ocean Energy, Inc.		152,500	1,467,813
Oiltec Resources, Ltd.	CAD	1,730,000	1,268,234
Pennaco Energy, Inc.		50,000	587,500
PennzEnergy Company(1)		110,000	1,835,625
Petro-Canada(1)	CAD	100,000	1,358,062
Petsec Energy, Ltd., ADR(3)		14,748	23,966
Place Resources Corporation	CAD	642,100	1,323,202
Plains Resources, Inc.		100,000	1,900,000
Purcell Energy, Ltd.	CAD	539,300	816,210
			23,020,245

---

ENERGY SERVICES - 3.7%

Bowridge Resource Group, Inc.	CAD	361,000	143,907
Shaw Industries, Ltd., Class A(1)	CAD	120,300	1,125,742
			1,269,649

---

FINANCIAL SERVICES - 1.8%

Dundee Bancorp, Class A	CAD	59,000	623,864
			623,864

---

FOOD - 4.3%

Fresh Del Monte Produce, Inc.		107,000	1,511,375
			1,511,375
-----			
GOLD MINING - 0.3%			
St. Jude Resources, Ltd.	CAD	135,000	59,289
St. Jude Resources, Ltd., 144A(7)	CAD	82,500	36,232
			95,521
-----			
PAPER & FOREST - 5.5%			
Alliance Forest Products, Inc.	CAD	136,300	1,671,460
Fletcher Challenge Canada, Ltd.(1)	CAD	20,000	227,695
			1,899,155
-----			
PLATINUM GROUP METALS - 0.1%			
African Minerals, Ltd., Restricted(4,5)		203,624	30,136
			30,136
-----			

<CAPTION>

JUNE 30, 1999 (UNAUDITED)	FOREIGN CURRENCY(2)	SHARES	VALUE
-----			
<S>	<C>	<C>	<C>
REAL ESTATE - 5.9%			
Brookfield Properties Corporation(1)	CAD	100,000	\$ 1,293,875
Cadillac Fairview Corporation	CAD	40,000	749,975
			2,043,850
-----			
UTILITIES/PIPELINES - 6.9%			
Western Gas Resources, Inc.(1)		150,000	2,400,000
			2,400,000
-----			
TOTAL COMMON STOCKS (Cost \$32,340,031)			34,486,945
-----			

	FOREIGN CURRENCY(2)	SHARES	VALUE
-----			
WARRANTS - 0.0%			
<S>	<C>	<C>	<C>
Solomon Resources, Ltd., 1/2 Warrants, Strike CAD 1.05, Expire 7/19/99(6)	CAD	37,500	-
			-
-----			
TOTAL WARRANTS (Cost \$6,219)			-
-----			

<CAPTION>

	VALUE
-----	
SHORT TERM INVESTMENTS - 1.1%	
<S>	<C>
Temporary Investment Cash Fund	185,691
Temporary Investment Fund	185,692
-----	
TOTAL SHORT TERM INVESTMENTS (Cost \$371,383)	371,383
-----	
TOTAL INVESTMENTS - 100.6% (Cost \$32,717,633)	34,858,328
-----	
OTHER LIABILITIES, NET - (0.6%)	(193,672)
-----	
TOTAL NET ASSETS - 100.0%	\$34,664,656
-----	

</TABLE>

See notes to Schedule of Investments on page 51.  
The accompanying notes are an integral part of these financial statements.

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RS FUNDS

SCHEDULE OF INVESTMENTS -- GLOBAL VALUE FUND

<TABLE>

<CAPTION>

JUNE 30, 1999 (UNAUDITED)	FOREIGN CURRENCY (2)	SHARES	VALUE
COMMON STOCKS - 84.4%			
<S>			
<C>			
CONSTRUCTION/INFRASTRUCTURE - 12.1%			
Lafarge Corporation(1)		10,000	\$ 354,375
Southdown, Inc.(1)		7,300	469,025
			823,400
CONSUMER & SPECIALTY RETAIL - 10.4%			
Kmart Corporation		20,000	328,750
Payless ShoeSource, Inc.		7,000	374,500
			703,250
ENERGY - 17.9%			
K N Energy, Inc.(1)		20,000	267,500
Texaco, Inc.(1)		9,000	562,500
The Coastal Corporation(1)		9,500	380,000
			1,210,000
ENERGY SERVICES - 10.5%			
Nevada Power Company(1)		13,000	325,000
Unicom Corporation(1)		10,000	385,625
			710,625
INSURANCE - 6.6%			
CIGNA Corporation(1)		5,000	445,000
			445,000
REAL ESTATE - 7.2%			
Brookfield Properties Corporation(1)	CAD	37,700	487,791
			487,791
TELECOMMUNICATIONS - 6.2%			
Telecom Italia S.p.A., ADR(1,3)		2,500	262,969
Telecom Italia S.p.A.(1)	ITL	15,000	155,927
			418,896
TEXTILE-APPAREL MANUFACTURING - 13.5%			
Jones Apparel Group, Inc.		16,000	549,000
Liz Claiborne, Inc.(1)		10,000	365,000
			914,000
TOTAL COMMON STOCKS (Cost \$4,840,308)			5,712,962

<CAPTION>

VALUE

SHORT TERM INVESTMENTS - 10.0%

<S>			
<C>			
Temporary Investment Cash Fund			337,275
Temporary Investment Fund			337,275

TOTAL SHORT TERM INVESTMENTS (Cost \$674,550) \$ 674,550

<CAPTION>

JUNE 30, 1999 (UNAUDITED)	FOREIGN CURRENCY (2)	SHARES	VALUE
<S>	<C>	<C>	<C>
TOTAL INVESTMENTS - 94.4%	(Cost \$5,514,858)		\$ 6,387,512
-----			
OTHER ASSETS, NET - 5.6%			379,123
-----			
TOTAL NET ASSETS - 100.0%			\$ 6,766,635

</TABLE>

See notes to Schedule of Investments on page 51.

The accompanying notes are an integral part of these financial statements.

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SEMIANNUAL REPORT

SCHEDULE OF INVESTMENTS -- THE INFORMATION AGE FUND-TM-  
<TABLE>

<CAPTION>

JUNE 30, 1999 (UNAUDITED)	SHARES	VALUE
-----		
COMMON STOCKS - 99.4%		
<S>	<C>	<C>
BIOTECHNOLOGY - 1.9%		
Immunex Corporation	27,500	\$ 3,504,531
		3,504,531
-----		
COMMUNICATIONS EQUIPMENT & SERVICES - 6.4%		
Cisco Systems, Inc.	187,914	12,120,453
		12,120,453
-----		
COMPUTER HARDWARE & COMPONENTS - 8.8%		
Applied Materials, Inc.	91,800	6,781,725
EMC Corporation	108,400	5,962,000
Gateway, Inc.	65,000	3,835,000
		16,578,725
-----		
COMPUTER SOFTWARE - 10.9%		
BMC Software, Inc.	60,000	3,240,000
Legato Systems, Inc.	65,000	3,753,750
Microsoft Corporation	130,000	11,724,375
Oracle Systems Corporation	50,000	1,856,250
		20,574,375
-----		
COMPUTER SOFTWARE & SERVICES - 7.1%		
Compuware Corporation	130,000	4,135,625
Intuit, Inc.	46,000	4,145,750
Sapient Corporation	90,000	5,096,250
		13,377,625
-----		
ELECTRONIC COMPONENTS - 7.8%		
Solectron Corporation	94,400	6,295,300
Teradyne, Inc.	117,000	8,394,750
		14,690,050
-----		
INTERNET CAPITAL SERVICES - 9.5%		
America Online, Inc.	101,100	11,171,550
E*TRADE Group, Inc.	50,000	1,996,875
Yahoo!, Inc.	27,600	4,754,100
		17,922,525
-----		
INVESTMENT MANAGEMENT - 3.1%		
Ameritrade Holding Corp., Class A	22,000	2,332,000

Charles Schwab Corporation(1)	32,500	3,570,937
		5,902,937
-----		
MEDICAL-BIOMEDICAL/GENETICS - 1.0%		
Biogen, Inc.	30,200	1,942,238
		1,942,238
-----		
SEMICONDUCTORS & COMPONENTS - 23.3%		
Altera Corporation	90,000	3,313,125
Intel Corporation(1)	86,600	5,152,700
Level One Communications, Inc.	108,000	5,285,250
LSI Logic Corporation	126,000	5,811,750
Motorola, Inc.(1)	48,000	4,548,000
Novellus Systems, Inc.	66,000	4,504,500
Texas Instruments, Inc.(1)	55,000	7,975,000
Xilinx, Inc.	128,500	7,356,625
		43,946,950
-----		

<CAPTION>

JUNE 30, 1999 (UNAUDITED)	SHARES	VALUE
-----		
TELECOMMUNICATIONS EQUIPMENT - 11.2%		
<S>	<C>	<C>
Lucent Technologies, Inc.(1)	150,750	\$ 10,166,203
QUALCOMM, Inc.	30,000	4,305,000
Uniphase Corporation	40,000	6,640,000
		21,111,203
-----		
TELECOMMUNICATION SERVICES - 8.4%		
General Instrument Corp.	73,000	3,102,500
MCI WorldCom, Inc.	61,800	5,330,250
Nokia Corporation - ADR(1,3)	80,800	7,398,250
		15,831,000
-----		
TOTAL COMMON STOCKS (Cost \$118,955,814)		187,502,612
-----		

<CAPTION>

	VALUE
-----	
SHORT TERM INVESTMENTS - 1.9%	
<S>	<C>
Temporary Investment Cash Fund	1,822,400
Temporary Investment Fund	1,822,399
	3,644,799
-----	
TOTAL SHORT TERM INVESTMENTS (Cost \$3,644,799)	3,644,799
-----	
TOTAL INVESTMENTS - 101.3% (Cost \$122,600,613)	191,147,411
-----	
OTHER LIABILITIES, NET - (1.3%)	(2,554,619)
-----	
TOTAL NET ASSETS - 100.0%	\$188,592,792
-----	

</TABLE>

See notes to Schedule of Investments on page 51.

The accompanying notes are an integral part of these financial statements.

## SCHEDULE OF INVESTMENTS -- MICROCAP GROWTH FUND

&lt;TABLE&gt;

&lt;CAPTION&gt;

JUNE 30, 1999 (UNAUDITED)	SHARES	VALUE
<b>COMMON STOCKS - 92.9%</b>		
<b>Aerospace - 0.6%</b>		
REMEC, Inc.	30,000	\$ 483,750
		483,750
<b>AUTOMOBILES &amp; OTHER MOTOR VEHICLES - 0.7%</b>		
Rush Enterprises, Inc.	40,000	645,000
		645,000
<b>BIOTECHNOLOGY - 1.0%</b>		
LifeCell Corporation	210,000	866,250
		866,250
<b>BROADCASTING/RADIO/TV - 1.1%</b>		
Medialink Worldwide, Inc.	60,000	960,000
		960,000
<b>CHEMICALS - 0.6%</b>		
Eco Soil Systems, Inc.	95,000	510,625
		510,625
<b>COMMERCIAL SERVICES - 7.8%</b>		
Abacus Direct Corporation	9,900	905,850
Coinstar, Inc.	85,000	2,438,437
Condor Technology Solutions, Inc.	40,000	187,500
Cornell Corrections, Inc.	80,000	1,315,000
International Telecommunication Data Systems, Inc.	45,000	720,000
Novacare Employee Services Corporation	11,500	31,625
Optimal Robotics Corporation	50,000	496,875
Towne Services, Inc.	85,000	669,375
		6,764,662
<b>COMPUTER HARDWARE &amp; COMPONENTS - 2.3%</b>		
Cybex Computer Products Corporation	55,000	1,533,125
ThrustMaster, Inc.	20,000	480,000
		2,013,125
<b>COMPUTER SOFTWARE - 6.8%</b>		
AremisSoft Corporation	70,000	310,625
ESPS, Inc.	50,000	371,875
InterVU, Inc.	31,500	1,206,844
MySoftware Company	57,500	888,555
Pervasive Software, Inc.	85,000	2,114,375
QRS Corporation	13,000	1,014,000
		5,906,274
<b>COMPUTER SOFTWARE &amp; SERVICES - 2.9%</b>		
Netegrity, Inc.	30,000	495,000
Vista Information Solutions, Inc.	177,500	2,052,344
		2,547,344
<b>CONSTRUCTION/INFRASTRUCTURE - 1.2%</b>		
Trex Company, Inc.	40,000	1,015,000
		1,015,000
<b>CONSULTING SERVICES - 0.7%</b>		
Superior Consultant Holdings Corporation	25,000	617,187
		617,187

&lt;CAPTION&gt;



JUNE 30, 1999 (UNAUDITED)	SHARES	VALUE
<hr/>		
<S>	<C>	<C>
<hr/>		
CONSUMER & SPECIALTY RETAIL - 8.7%		
1-800-Contacts, Inc.	35,000	\$ 656,250
Blue Rhino Corporation	45,200	415,275
Cost Plus, Inc.	30,000	1,365,000
Enamelon, Inc.	120,000	150,000
Happy Kids, Inc.	25,000	217,187
Hibbit Sporting Goods, Inc.	30,000	660,000
Hot Topic, Inc.	50,000	1,350,000
MarineMax, Inc.	20,000	236,250
Movie Gallery, Inc.	75,000	403,125
Natrol, Inc.	65,000	487,500
Paul Harris Stores, Inc.	20,900	142,381
Rent Way, Inc.	50,000	1,231,250
U.S. Home & Garden, Inc.	55,000	206,250
		7,520,468
<hr/>		
DATA PROCESSING SERVICES - 1.8%		
Best Software, Inc.	52,800	851,400
Intercept Group, Inc.	45,000	697,500
		1,548,900
<hr/>		
EDUCATION & TRAINING - 1.3%		
Bright Horizons Family Solutions, Inc.	26,600	502,075
Career Education Corporation	20,000	676,250
		1,178,325
<hr/>		
ELECTRONIC COMPONENTS - 7.2%		
Aavid Thermal Technologies, Inc.	73,300	1,658,412
Interlink Electronics, Inc.	50,000	496,875
Meade Instruments Corporation	45,000	776,250
Photon Dynamics, Inc.	50,000	600,000
Power Intergrations, Inc.	30,000	2,193,750
Universal Electronics, Inc.	20,000	561,250
		6,286,537
<hr/>		
FINANCIAL SERVICES - 1.9%		
Creditrust Corporation	40,000	1,110,000
Rock Financial Corporation(1)	35,000	546,875
		1,656,875
<hr/>		
HEALTH CARE SERVICES - 4.4%		
CareMatrix Corporation	50,000	621,875
MEDE AMERICA Corporation	25,000	943,750
MedQuist, Inc.	25,000	1,093,750
Res-Care, Inc.	50,000	1,137,500
		3,796,875
<hr/>		
INSURANCE - 1.2%		
Annuity and Life Re(Holdings), Ltd.(1)	45,000	1,009,687
		1,009,687
<hr/>		
INTERNET CAPITAL SERVICES - 1.8%		
About.com, Inc.	4,000	207,500
Crosswalk.com, Inc.	35,000	341,250
drkoop.com, Inc.	7,500	119,531
</TABLE>		

See notes to Schedule of Investments on page 51.  
The accompanying notes are an integral part of these financial statements.

SEMIANNUAL REPORT

SCHEDULE OF INVESTMENTS -- MICROCAP GROWTH FUND -- CONTINUED

JUNE 30, 1999 (UNAUDITED)	SHARES	VALUE
<hr/>		
<S>	<C>	<C>

Multex.com, Inc.	14,500	\$ 378,813
NetGravity, Inc.	20,000	455,000
Onesource Information Services, Inc.	10,000	87,500
		1,589,594
-----		
LEISURE - 0.6%		
American Coin Merchandising, Inc.	74,900	486,850
		486,850
-----		
MACHINERY - 0.7%		
Asyst Technologies, Inc.	20,000	598,750
		598,750
-----		
MANUFACTURING - 1.9%		
FARO Technologies, Inc.	115,000	575,000
Koala Corporation	40,000	1,070,000
		1,645,000
-----		
MEDIA - 1.1%		
Faroudja, Inc.	190,000	534,375
LodgeNet Entertainment Corporation	30,000	418,125
		952,500
-----		
MEDICAL-INSTRUMENTS & DEVICES - 3.5%		
Closure Medical Corporation	35,000	1,050,000
LCA-Vision, Inc.	70,000	651,875
Photoelectron Corporation	75,000	234,375
ZEVEX International, Inc.	210,000	1,089,375
		3,025,625
-----		
MEDICAL SUPPLIES - 1.6%		
Molecular Devices Corporation	37,500	1,406,250
		1,406,250
-----		
MISCELLANEOUS - 1.6%		
Rainbow Rentals, Inc.	125,000	1,437,500
		1,437,500
-----		
NETWORK SYSTEMS - 2.1%		
Performance Technologies, Inc.	90,000	1,811,250
		1,811,250
-----		
PHARMACEUTICALS - 2.0%		
Anesta Corp.	25,000	510,938
Kendle International, Inc.	75,000	1,200,000
		1,710,938
-----		
RESEARCH & DEVELOPMENT - 1.2%		
Albany Molecular Research, Inc.	35,000	1,041,250
		1,041,250
-----		
RESTAURANTS - 3.1%		
Garden Fresh Restaurant Corporation	60,000	1,125,000
PJ America, Inc.	45,000	953,438
RARE Hospitality International, Inc.	25,000	637,500
		2,715,938
-----		
SEMICONDUCTORS - 11.4%		
American Xtal Technology, Inc.	80,000	1,905,000
AstroPower, Inc.	40,000	700,000
ATMI, Inc.	49,300	1,466,675
-----		
<CAPTION>		
JUNE 30, 1999 (UNAUDITED)	SHARES	VALUE
-----		
<S>	<C>	<C>
Cerprobe Corporation	45,000	\$ 450,000
Cree Research, Inc.	30,000	2,308,125
hi/fn Inc.	14,500	1,103,813
QLogic Corporation	15,000	1,980,000
-----		

		9,913,613
-----		
TELECOMMUNICATIONS - 1.2%		
Metro One Telecommunications, Inc.	75,000	1,031,250
		1,031,250
-----		
TELECOMMUNICATIONS EQUIPMENT - 0.5%		
P-Com, Inc.	80,000	418,750
		418,750
-----		
TELECOMMUNICATIONS SERVICES - 5.6%		
Adaptive Broadband Corporation	20,000	437,500
CapRock Communications Corporation	50,000	2,025,000
Powerwave Technologies, Inc.	20,000	645,000
Transaction Network Services, Inc.	60,000	1,755,000
		4,862,500
-----		
TEXTILE-APPAREL & MANUFACTURING - 0.6%		
Gildan Activewear, Inc.	30,000	506,250
		506,250
-----		
TRAVEL SERVICES - 0.2%		
ResortQuest International, Inc.	20,200	166,650
		166,650
-----		
TOTAL COMMON STOCKS (Cost \$57,513,420)		80,647,342
-----		

<CAPTION>

		VALUE
-----		
<S>	<C>	
SHORT TERM INVESTMENTS - 6.3%		
Temporary Investment Cash Fund		2,734,061
Temporary Investment Fund		2,734,061
-----		
TOTAL SHORT TERM INVESTMENTS (Cost \$5,468,122)		5,468,122
-----		
TOTAL INVESTMENTS - 99.2% (Cost \$62,981,542)		86,115,464
-----		
OTHER ASSETS, NET - 0.8%		712,839
-----		
TOTAL NET ASSETS - 100.0%		\$86,828,303
-----		

</TABLE>

See notes to Schedule of Investments on page 51.  
The accompanying notes are an integral part of these financial statements.

RS FUNDS

SCHEDULE OF INVESTMENTS -- MIDCAP OPPORTUNITIES FUND

<TABLE>

<CAPTION>

JUNE 30, 1999 (UNAUDITED)	SHARES	VALUE
-----		
COMMON STOCKS - 89.7%		
-----		

<S>	<C>	<C>
Aerospace - 1.7%		
Alliant Techsystems, Inc.	40,000	\$ 3,460,000
		3,460,000
-----		
AGRICULTURAL PRODUCTS - 1.0%		
Seminis, Inc.	135,000	2,033,437
		2,033,437
-----		
AIRLINES - 0.9%		
Northwest Airlines Corporation	55,000	1,787,500
		1,787,500
-----		
BANKS - 1.0%		
Fleet Financial Group, Inc.(1)	45,000	1,996,875
		1,996,875
-----		
BUSINESS SERVICES - 1.8%		
Administaff, Inc.	185,000	2,960,000
United Shipping & Technology, Inc.	220,000	632,500
		3,592,500
-----		
COMMERCIAL SERVICES - 1.0%		
Quintiles Transnational Corporation	45,000	1,890,000
		1,890,000
-----		
COMMUNICATIONS EQUIPMENT - 1.0%		
Research in Motion, Ltd.	100,000	2,025,000
		2,025,000
-----		
COMPUTER SOFTWARE - 2.4%		
Concentric Networking Corporation	50,000	1,987,500
Macromedia, Inc.	45,000	1,586,250
SalesLogix Corporation	73,800	1,097,775
		4,671,525
-----		
COMPUTER SOFTWARE & SERVICES - 2.5%		
Comverse Technology, Inc.	27,000	2,038,500
Intuit, Inc.	16,000	1,442,000
PeopleSoft, Inc.	85,000	1,466,250
		4,946,750
-----		
CONSTRUCTION/INFRASTRUCTURE - 2.0%		
Fleetwood Enterprises, Inc.(1)	60,000	1,586,250
Texas Industries, Inc.(1)	60,000	2,325,000
		3,911,250
-----		
CONSULTING SERVICES - 1.9%		
Comdisco, Inc.(1)	145,000	3,715,625
		3,715,625
-----		
CONSUMER & SPECIALTY RETAIL - 5.7%		
American Eagle Outfitters	40,000	1,820,000
Linens 'N Things, Inc.	52,500	2,296,875
Payless ShoeSource, Inc.	40,000	2,140,000
Pep Boys Manny, Moe & Jack(1)	90,000	1,946,250
Tandy Corporation(1)	60,000	2,932,500
		11,135,625
-----		

<CAPTION>

JUNE 30, 1999 (UNAUDITED)	SHARES	VALUE
-----		
CONSUMER PRODUCTS & SERVICES - 0.9%		
Dial Corporation(1)	45,000	\$ 1,673,437
		1,673,437
-----		
DATA PROCESSING SERVICES - 1.0%		
First Data Corporation(1)	40,000	1,957,500
-----		

		1,957,500
-----		
DISTRIBUTION/WHOLESALE - 1.0%		
WESCO International, Inc.	96,500	1,978,250
		1,978,250
-----		
ELECTRONIC COMPONENTS - 7.2%		
Altera Corporation	52,500	1,932,656
American Power Conversion Corporation	150,000	3,018,750
EG & G, Inc.(1)	55,000	1,959,375
Jabil Circuit, Inc.	62,000	2,797,750
Millipore Corporation	50,000	2,028,125
Teradyne, Inc.	35,000	2,511,250
		14,247,906
-----		
ENERGY - 1.0%		
Anadarko Petroleum Corporation(1)	51,500	1,895,844
		1,895,844
-----		
ENERGY SERVICES - 11.3%		
Apache Corporation(1)	65,000	2,535,000
Baker Hughes, Inc.(1)	65,000	2,177,500
BJ Services Company	55,000	1,619,062
ENSCO International, Inc.(1)	130,000	2,591,875
Montana Power Company(1)	48,500	3,419,250
Noble Drilling Corporation	50,000	984,375
Potomac Electric Power Company(1)	80,000	2,355,000
Rowan Companies, Inc.	100,000	1,843,750
Tidewater, Inc.(1)	50,000	1,525,000
Tosco Corporation(1)	65,000	1,685,937
Weatherford International, Inc.	40,000	1,465,000
		22,201,749
-----		
ENTERTAINMENT - 0.8%		
SFX Entertainment, Inc.	25,000	1,664,062
		1,664,062
-----		
ENVIRONMENTAL SERVICES - 2.4%		
Republic Services, Inc.	100,000	2,475,000
Waste Management, Inc.(1)	40,000	2,150,000
		4,625,000
-----		
FINANCIAL SERVICES - 3.0%		
First Sierra Financial, Inc.	165,100	4,127,500
Golden State Bancorp, Inc.	80,000	1,760,000
		5,887,500
-----		
INSURANCE - 0.5%		
Core Cap Inc., Class A Restricted(4,5)	75,000	1,045,500
		1,045,500
-----		

</TABLE>

See notes to Schedule of Investments on page 51.  
The accompanying notes are an integral part of these financial statements.

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SEMIANNUAL REPORT

-----  
SCHEDULE OF INVESTMENTS -- MIDCAP OPPORTUNITIES FUND -- CONTINUED

<TABLE>

<CAPTION>

JUNE 30, 1999 (UNAUDITED)	SHARES	VALUE
-----		
<S>	<C>	<C>
INTERNET CAPITAL SERVICES - 1.1%		
EDGAR Online, Inc.	65,000	\$ 520,000
Security First Technologies Corporation	37,500	1,692,187
		2,212,187
-----		
MANUFACTURING - 1.1%		
Tyco International Ltd.(1)	22,000	2,084,500

		2,084,500
-----		
MEDIA - 8.6%		
Adelphia Communications Corporation, Class A	25,000	1,590,625
AT&T Corporation - Liberty Media Group, Grade A	150,000	5,512,500
Gemstar International Group, Ltd.	27,500	1,794,375
MediaOne Group, Inc.	60,000	4,462,500
The Kushner-Locke Company	175,000	1,137,500
Univision Communications, Inc.	38,000	2,508,000
		17,005,500
-----		
MEDICAL INSTRUMENTS & DEVICES - 2.2%		
MiniMed, Inc.	30,000	2,308,125
TLC, The Laser Center, Inc.	41,750	2,004,000
		4,312,125
-----		
NETWORK SYSTEMS - 2.3%		
Adaptec, Inc.	65,000	2,295,312
Novell, Inc.	85,000	2,252,500
		4,547,812
-----		
PAPER & FOREST PRODUCTS - 1.0%		
Mead Corporation(1)	45,000	1,878,750
		1,878,750
-----		
PHARMACEUTICALS - 0.9%		
Cephalon, Inc.	100,000	1,737,500
		1,737,500
-----		
R.E.I.T. - 0.5%		
FBR Asset Investment Corporation	75,000	1,012,500
		1,012,500
-----		
RENTAL AUTO/EQUIPMENT - 0.9%		
Avis Rent A Car, Inc.	60,000	1,747,500
		1,747,500
-----		
SEMICONDUCTORS & COMPONENTS - 2.3%		
Lam Research Corporation	45,000	2,100,937
Motorola, Inc.(1)	25,000	2,368,750
		4,469,687
-----		
TELECOMMUNICATIONS - 3.4%		
EchoStar Communications Corporation	20,000	3,068,750
ICG Communications, Inc.	50,000	1,068,750
Primus Telecommunications Group, Inc.	110,000	2,468,125
		6,605,625
-----		
TELECOMMUNICATIONS EQUIPMENT - 8.0%		
ADC Telecommunications, Inc.	35,000	1,594,687
Associated Group, Inc.	30,000	1,955,625
CIENA Corporation	55,000	1,660,313
Digital Microwave Corporation	50,000	637,500
-----		
<CAPTION>		
JUNE 30, 1999 (UNAUDITED)	SHARES	VALUE
-----		
<S>	<C>	<C>
DSP Communications, Inc.	75,000	\$ 2,165,625
Excel Switching Corporation	85,000	2,544,688
Picturetel, Inc.	120,000	960,000
RF Micro Devices, Inc.	30,500	2,276,063
Uniphase Corporation	12,000	1,992,000
		15,786,501
-----		
TELECOMMUNICATION SERVICES - 3.4%		
CapRock Communications Corporation	120,000	4,860,000
Western Wireless Corporation, Class A	70,000	1,890,000
		6,750,000
-----		
TRANSPORTATION - 0.6%		

Knightsbridge Tankers Ltd.(1)	70,000	1,225,000
		1,225,000
-----		
TRAVEL SERVICES - 1.4%		
Galileo International, Inc.(1)	50,000	2,671,875
		2,671,875
-----		
TOTAL COMMON STOCKS (Cost \$142,285,614)		176,389,897

<CAPTION>

	SHARES	VALUE
-----		
CONVERTIBLE PREFERRED STOCKS - 3.7%		
<S>	<C>	<C>
DATA TELECOMMUNICATIONS - 0.4%		
CellNet Funding LLC, 7.00%, Expires 6/01/10	140,000	780,000
		780,000
-----		
INSURANCE - 0.8%		
Core Cap, Inc., Series A, 10.00%, Expires 12/31/49, Restricted(4,5)	75,000	1,559,250
		1,559,250
-----		
TRANSPORTATION - 2.5%		
Trans World Airlines, Inc., 4.625%, Series 144A, Expires 12/31/497	36,500	1,245,563
Trans World Airlines, Inc., 8.00%, Expires 12/31/49	75,500	1,462,813
Trans World Airlines, Inc., 9.25%, Expires 12/31/49	63,500	2,166,938
		4,875,314
-----		
TOTAL CONVERTIBLE PREFERRED STOCKS (Cost \$9,782,897)		7,214,564

<CAPTION>

	PAR	VALUE
-----		
CONVERTIBLE BONDS - 4.5%		
<S>	<C>	<C>
COMPUTER HARDWARE & COMPONENTS - 0.2%		
HMT Technology Corporation, 5.75%, Due 1/15/04	1,250,000	473,438
		473,438
-----		

</TABLE>

See notes to Schedule of Investments on page 51.

The accompanying notes are an integral part of these financial statements.

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RS FUNDS

<TABLE>

<CAPTION>

JUNE 30, 1999 (UNAUDITED)	PAR	VALUE
-----		
COMPUTER SOFTWARE - 1.1%		
System Software Association, Inc., 7.00%, Due 9/15/02	6,000,000	\$2,160,000
		2,160,000
-----		
CONSUMER & SPECIALTY RETAIL - 0.7%		
The Sports Authority, Inc., 5.25%, Due 9/15/01	2,000,000	1,400,000
		1,400,000

ENERGY SERVICES - 1.0%		
Halter Marine Corporation, 4.50%, Due 9/15/04	1,750,000	1,087,188
Key Energy Group, Inc., 144A, 5.00%, Due 9/15/04(7)	1,250,000	785,938
		1,873,126
ENVIRONMENTAL SERVICES - 0.0%		
Molten Metal Technology, Inc., 5.50%, Due 5/01/06(4,10)	5,000,000	500
		500
HEALTHCARE SERVICES - 0.4%		
Alternative Living Services, Inc., 5.25%, Due 12/15/02	950,000	735,063
		735,063
HEALTHCARE/HMO - 0.1%		
Assisted Living Concepts, Inc., 6.00%, Due 11/01/02	525,000	288,750
		288,750
INTERNET CAPITAL SERVICES - 0.4%		
Sportsline USA Inc., 5.00%, Due 4/01/09	1,000,000	727,500
		727,500
TELECOMMUNICATION SERVICES - 0.6%		
ITC Deltacom, 144A, 4.50%, Due 5/15/06(7)	1,000,000	1,230,000
		1,230,000
TOTAL CONVERTIBLE BONDS (Cost \$12,785,842)		8,888,377

<CAPTION>

	VALUE
SHORT TERM INVESTMENTS - 2.7%	
<S>	<C>
Temporary Investment Cash Fund	2,661,413
Temporary Investment Fund	2,661,412
TOTAL SHORT TERM INVESTMENTS (Cost \$5,322,825)	
	5,322,825
TOTAL INVESTMENTS - 100.6% (Cost \$170,177,178)	
	197,815,663
SHORT CALL OPTIONS - (0.1%) (Premium \$142,125)	
	(175,000)
OTHER LIABILITIES, NET - (0.5%)	
	(992,911)
TOTAL NET ASSETS - 100.0%	
	\$ 196,647,752

</TABLE>

SHORT CALL OPTIONS

<TABLE>

<CAPTION>

JUNE 30, 1999 (UNAUDITED)	CONTRACTS	VALUE
SHORT CALL OPTIONS - 0.1%		



<S>	<C>	<C>
Echostar Communications Corporation, Strike 155, Expire 7/17/99(6)	200	\$ 175,000
-----		
TOTAL SHORT CALL OPTIONS (Premium \$142,125)		\$ 175,000
-----		

</TABLE>

See notes to Schedule of Investments on page 51.  
The accompanying notes are an integral part of these financial statements.

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SEMIANNUAL REPORT

-----  
SCHEDULE OF INVESTMENTS -- PARTNERS FUND

<TABLE>

<CAPTION>

JUNE 30, 1999 (UNAUDITED) FOREIGN CURRENCY (2) SHARES VALUE

-----  
COMMON STOCKS - 97.6%

<S>	<C>	<C>	<C>
ALUMINUM - 9.0%			
MAXXAM, Inc.		46,000	\$ 2,967,000
			2,967,000

-----  
CLOSED-END FUNDS - 0.4%

Cathay Investment Fund, Ltd. (4)	HKD	525,000	131,274
			131,274

-----  
COMPUTER SOFTWARE - 1.2%

Artisoft, Inc.		80,000	405,000
			405,000

-----  
CONSTRUCTION/INFRASTRUCTURE - 4.0%

Meritage Corporation		121,200	1,325,625
			1,325,625

-----  
CONSUMER & SPECIALTY RETAIL - 1.3%

CompUSA, Inc.		60,000	446,250
			446,250

-----  
CONSUMER GOODS - 1.8%

Nu Skin Enterprises, Inc.		30,000	598,125
			598,125

-----  
CONSUMER/BUSINESS SERVICES - 12.8%

Midas, Inc. (1)		36,600	1,038,525
Pennzoil-Quaker State Company (1)		75,000	1,125,000
Pittston Brink's Group (1)		77,000	2,059,750
			4,223,275

-----  
ENERGY - 27.6%

Alliance Energy, Inc., 144A(7)	CAD	1,500,000	304,044
Best Pacific Resources, Ltd.	CAD	1,500,000	709,435
Calahoo Petroleum, Ltd.	CAD	247,866	351,690
Cypress Energy, Inc.	CAD	600,000	2,412,081
Oiltec Resources Ltd., 144A(7)	CAD	1,536,400	1,126,309
Petsec Energy Ltd., ADR(3)		82,452	133,985
Place Resources Corporation	CAD	884,800	1,823,344
Plains All American Pipeline, L.P. (1)		30,000	556,875
Ryan Energy Technologies, Inc.	CAD	269,000	772,440
Symmetry Resources, Inc.	CAD	1,952,100	923,259
			9,113,462

-----  
ENERGY SERVICES - 8.1%

Bowridge Resource Group, Inc.	CAD	1,700,000	677,680
Northstar Drilling Systems, Inc.	CAD	500,000	472,957
Northstar Drilling Systems, Inc., 144A(7)	CAD	100,000	94,591
NQL Drilling Tools, Inc., 144A(7)	CAD	175,000	827,675
NQL Drilling Tools, Inc., Class A	CAD	125,000	591,196

			2,664,099
FOOD - 6.2%			
Fresh Del Monte Produce, Inc.		145,000	2,048,125
			8 2,048,125
FOOD RETAIL/WHOLESALE - 4.3%			
Sobeys Canada, Inc.(1)	CAD	122,700	1,430,070
			1,430,070

<CAPTION>

JUNE 30, 1999 (UNAUDITED)	FOREIGN CURRENCY(2)	SHARES	VALUE
FURNITURE - 1.8%			
<S>	<C>	<C>	<C>
Hon Industries, Inc.(1)		20,000	\$ 583,750
			583,750
HOLDING COMPANIES, DIVERSIFIED - 1.4%			
Jascan Resources, Inc.	CAD	854,500	467,650
			467,650
INSURANCE - 5.2%			
Desjardins Laurentian Financial Corporation, Class A(1)	CAD	157,000	1,718,455
			1,718,455
MANUFACTURING - 2.6%			
TB Wood's Corporation(1)		80,000	875,000
			875,000
PUBLISHING-NEWSPAPERS - 3.1%			
Hollinger International, Inc.(1)		85,000	1,009,375
			1,009,375
RESTAURANTS - 0.7%			
IHOP Corporation		10,000	240,625
			240,625
TELECOMMUNICATIONS EQUIPMENT - 2.3%			
Superior TeleCom, Inc.(1)		30,000	750,000
			750,000
TELECOMMUNICATIONS SERVICES - 3.8%			
Paging Network, Inc.		260,000	1,251,250
			1,251,250
TOTAL COMMON STOCKS (Cost \$32,412,031)			32,248,410

<CAPTION>

	WARRANTS	VALUE
WARRANTS - 0.0%		
<S>	<C>	<C>
Magin Energy, Inc., Warrants, Strike CAD 9.50, Expire 9/1/00(4,6)	217,310	734
Solomon Resources, Ltd., 1/2 Warrants, Strike CAD 1.05, Expire 7/19/99(4,6)	37,500	-
TOTAL WARRANTS (Cost \$71,260)		734

<CAPTION>

VALUE

SHORT-TERM INVESTMENTS - 2.5%	
<S>	<C>
Temporary Investment Cash Fund	412,961
Temporary Investment Fund	412,961
TOTAL SHORT-TERM INVESTMENTS (Cost \$825,922)	825,922
TOTAL INVESTMENTS - 100.1% (Cost \$33,309,213)	33,075,066
OTHER LIABILITIES, NET - (0.1%)	(40,778)
TOTAL NET ASSETS - 100.0%	\$ 33,034,288

</TABLE>

See notes to Schedule of Investments on page 51.  
The accompanying notes are an integral part of these financial statements.

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RS FUNDS

SCHEDULE OF INVESTMENTS -- VALUE + GROWTH FUND

<TABLE>

<CAPTION>

JUNE 30, 1999 (UNAUDITED)	SHARES	VALUE
COMMON STOCKS - 98.7%		
COMMUNICATIONS EQUIPMENT & SERVICES - 2.3%		
<S>	<C>	<C>
Cisco Systems, Inc.	238,548	\$ 15,386,346
		15,386,346
COMPUTER HARDWARE & COMPONENTS - 5.9%		
Applied Materials, Inc.	262,800	19,414,350
Dell Computer Corporation	270,000	9,990,000
International Business Machines Corp.(1)	80,100	10,352,925
		39,757,275
COMPUTER SOFTWARE - 6.2%		
BMC Software, Inc.	213,000	11,502,000
Microsoft Corporation	336,000	30,303,000
		41,805,000
COMPUTER SOFTWARE & SERVICES - 0.3%		
Compuware Corporation	60,000	1,908,750
		1,908,750
CONSUMER & SPECIALTY RETAIL - 27.0%		
Best Buy Co., Inc.	376,600	25,420,500
Circuit City Stores-Circuit City Group(1)	258,500	24,040,500
Costco Cos., Inc.	275,000	22,017,187
CVS Corporation(1)	391,200	20,000,100
Home Depot, Inc.(1)	115,000	7,410,313
Safeway, Inc.	394,400	19,522,800
Staples, Inc.	675,000	20,882,812
The Gap, Inc.(1)	174,150	8,772,806
Wal-Mart Stores, Inc.(1)	310,400	14,976,800
Walgreen Company(1)	600,000	17,625,000
		180,668,818
DISTRIBUTION/WHOLESALE - 1.1%		
Ingram Micro, Inc., Class A	290,100	7,470,075

		7,470,075
-----		
FINANCIAL SERVICES - 10.0%		
American Express Company(1)	74,000	9,629,250
Citigroup, Inc.(1)	382,500	18,168,750
Donaldson, Lufkin & Jenrette, Inc.(1)	199,400	12,013,850
Household International, Inc.(1)	145,000	6,869,375
Morgan Stanley Dean Witter & Co.(1)	195,000	19,987,500
		66,668,725
-----		

HEALTH MAINTENANCE ORGANIZATIONS - 1.4%		
United Healthcare Corporation(1)	148,500	9,299,813
		9,299,813
-----		

INSURANCE - 1.1%		
CIGNA Corporation(1)	86,000	7,654,000
		7,654,000
-----		

INVESTMENT MANAGEMENT - 5.4%		
Charles Schwab Corporation(1)	120,000	13,185,000
Merrill Lynch & Co., Inc.(1)	288,538	23,065,006
		36,250,006
-----		

MEDIA - 4.9%		
Comcast Corporation, Class A(1)	400,000	15,375,000
Time Warner, Inc.(1)	240,000	17,640,000
		33,015,000
-----		

MEDICAL-BIOMEDICAL/GENETICS - 2.5%		
Amgen, Inc.	180,000	10,957,500
Biogen, Inc.	94,000	6,045,375
		17,002,875
-----		

<CAPTION>

JUNE 30, 1999 (UNAUDITED)	SHARES	VALUE
-----		

MEDICAL PRODUCTS & SERVICES - 1.6%		
<S>	<C>	<C>
Johnson & Johnson(1)	109,200	\$ 10,701,600
		10,701,600
-----		

PHARMACEUTICALS - 6.9%		
Eli Lilly & Co.(1)	220,000	15,757,500
Merck & Co., Inc.(1)	226,600	16,768,400
Pfizer, Inc.(1)	121,500	13,334,625
		45,860,525
-----		

SEMICONDUCTORS & EQUIPMENT - 11.4%		
Intel Corporation(1)	400,200	23,811,900
Motorola, Inc.(1)	105,100	9,958,225
Texas Instruments, Inc.(1)	187,700	27,216,500
Xilinx, Inc.	270,000	15,457,500
		76,444,125
-----		

SHOES & RELATED APPAREL - 2.4%		
Nike, Inc., Class B(1)	248,400	15,726,825
		15,726,825
-----		

TELECOMMUNICATIONS EQUIPMENT - 2.2%		
Lucent Technologies, Inc.(1)	100,000	6,743,750
Nortel Networks Corporation(1)	90,300	7,839,169
		14,582,919
-----		

TELECOMMUNICATIONS SERVICES - 6.1%		
MCI WorldCom, Inc.	307,000	26,478,750
Sprint Corporation(1)	274,000	14,470,625
		40,949,375
-----		

TOTAL COMMON STOCKS (Cost \$418,489,550)		661,152,052
-----		

<CAPTION>

## SHORT TERM INVESTMENTS - 1.4%

<S>	<C>
Temporary Investment Cash Fund	4,618,212
Temporary Investment Fund	4,618,212

TOTAL SHORT TERM INVESTMENTS (Cost \$9,236,424)	9,236,424
---	-----------

TOTAL INVESTMENTS - 100.1% (Cost \$427,725,974)	670,388,476
---	-------------

OTHER LIABILITIES, NET - (0.1%)	(774,320)
---------------------------------	-----------

TOTAL NET ASSETS - 100.0%	\$669,614,156
---------------------------	---------------

&lt;/TABLE&gt;

- (1) Income producing security
- (2) Foreign denominated security; AUD-Australian Dollar, CAD-Canadian Dollar, GBP-British Pound, HKD-Hong Kong Dollar, IDR-Indonesian Rupiah, ITL-Italian Lira, SAR South African Rand
- (3) ADR-American Depository Receipt; GDR-Global Depository Receipt
- (4) Fair-Value Security. See 1.a in Notes to Financial Statements
- (5) Restricted Security. See 4.e in Notes to Financial Statements
- (6) See 4.f in Notes to Financial Statements
- (7) These securities may be resold in transactions under rule 144A of the Securities Act of 1933, normally to qualified institutional buyers
- (8) Shares registered for foreign investors
- (9) When-issued security
- (10) Defaulted security

The accompanying notes are an integral part of these financial statements.

## SEMIANNUAL REPORT

## STATEMENT OF ASSETS &amp; LIABILITIES

<TABLE>  
<CAPTION>

AS OF JUNE 30, 1999 (UNAUDITED) (ALL NUMBERS IN THOUSANDS EXCEPT FOR PRICING OF SHARES SECTION)	THE CONTRARIAN FUND-TM-	DIVERSIFIED GROWTH	EMERGING GROWTH
<S>	<C>	<C>	<C>
ASSETS			
Investments, at value	\$129,115	\$96,969	\$1,011,283
Deposits with brokers for securities sold short	32,166	1,549	-
Cash	-	-	-
Receivable for investments sold	6,006	5,076	11,015
Receivable for fund shares subscribed	440	526	22,976
Dividends/interest receivable	239	13	400
Organization cost	-	-	-
Prepaid Expenses	3	-	-

TOTAL ASSETS	167,969	104,133	1,045,674
--------------	---------	---------	-----------

LIABILITIES

Securities sold short	29,236	-	-
Written options	-	70	-
Payable to custodian bank	2,425	-	-
Payable for investments purchased	609	5,116	34,875
Payable for fund shares redeemed	581	80	2,028
Payable to adviser	162	95	701
Payable to distributor	27	19	175
Accrued expenses/other liabilities	-	24	193
TOTAL LIABILITIES	33,040	5,404	37,972

TOTAL NET ASSETS	\$134,929	\$98,729	\$1,007,702
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NET ASSETS CONSIST OF:

Paid-in capital	\$301,504	\$56,062	\$665,139
Accumulated undistributed net investment income/(loss)	(4,100)	(612)	(6,258)
Accumulated net realized gain/(loss) from investments and from securities and options sold short, and foreign currency transactions	(93,091)	24,615	116,985
Net unrealized appreciation/(depreciation) on investments and on securities and options sold short, and translation of assets and liabilities in foreign currencies	(69,384)	18,664	231,836

TOTAL NET ASSETS	\$134,929	\$98,729	\$1,007,702
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INVESTMENTS, AT COST	\$216,868	\$78,391	\$779,447
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PROCEEDS FROM SECURITIES SOLD SHORT	\$47,637	-	-
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PREMIUMS FROM WRITTEN OPTIONS	-	\$157	-
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PRICING OF SHARES:

Net Asset Value, offering, and redemption price per share	\$9.25	\$23.01	\$34.35
Net assets	\$134,928,499	\$98,729,071	\$1,007,702,092
Shares of beneficial interest outstanding with no par value	14,588,892	4,290,805	29,336,186

</TABLE>

The accompanying notes are an integral part of these financial statements.

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RS FUNDS

<TABLE>

<CAPTION>

AS OF JUNE 30, 1999 (UNAUDITED) (ALL NUMBERS IN THOUSANDS EXCEPT FOR PRICING OF SHARES SECTION)	GLOBAL NATURAL RESOURCES	GLOBAL VALUE	THE INFORMATION AGE FUND-TM-
--	--------------------------------	-----------------	------------------------------------

<S>	<C>	<C>	<C>
ASSETS			
Investments, at value	\$34,858	\$6,388	\$191,147
Deposits with brokers for securities sold short	-	-	-
Cash	-	368	-
Receivable for investments sold	11	-	2,839
Receivable for fund shares subscribed	12	4	909
Dividends/interest receivable	90	16	12
Organization cost	8	-	8
Prepaid Expenses	1	-	-

TOTAL ASSETS	34,980	6,776	194,915
LIABILITIES			
Securities sold short	-	-	-
Written options	-	-	-
Payable to custodian bank	-	-	-
Payable for investments purchased	-	-	5,733
Payable for fund shares redeemed	272	2	369
Payable to adviser	36	4	141
Payable to distributor	7	1	35
Accrued expenses/other liabilities	-	2	44
TOTAL LIABILITIES	315	9	6,322

TOTAL NET ASSETS	\$34,665	\$6,767	\$188,593
------------------	----------	---------	-----------

NET ASSETS CONSIST OF:

Paid-in capital	\$55,196	\$5,922	\$86,582
Accumulated undistributed net investment income/(loss)	(122)	10	(1,439)
Accumulated net realized gain/(loss) from investments and from securities and options sold short, and foreign currency transactions	(22,551)	(37)	34,903
Net unrealized appreciation/(depreciation) on investments and on securities and options sold short, and translation of assets and liabilities in foreign currencies	2,142	872	68,547
TOTAL NET ASSETS	\$34,665	\$6,767	\$188,593

INVESTMENTS, AT COST	\$32,718	\$5,515	\$122,601
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PROCEEDS FROM SECURITIES SOLD SHORT	-	-	-
-------------------------------------	---	---	---

PREMIUMS FROM WRITTEN OPTIONS	-	-	-
-------------------------------	---	---	---

PRICING OF SHARES:

Net Asset Value, offering, and redemption price per share	\$10.00	\$9.38	\$23.24
Net assets	\$34,664,656	\$6,766,635	\$188,592,792
Shares of beneficial interest outstanding with no par value	3,465,221	721,716	8,113,479

</TABLE>

RS FUNDS

<TABLE>

<CAPTION>

AS OF JUNE 30, 1999 (UNAUDITED) (ALL NUMBERS IN THOUSANDS EXCEPT FOR PRICING OF SHARES SECTION)	MICROCAP GROWTH	MIDCAP OPPORTUNITIES	PARTNERS	VALUE + GROWTH
<S>	<C>	<C>	<C>	<C>
ASSETS				
Investments, at value	\$86,115	\$197,816	\$33,075	\$670,388
Deposits with brokers for securities sold short	-	1,651	-	-
Cash	-	-	-	-
Receivable for investments sold	1,214	5,726	-	18,900
Receivable for fund shares subscribed	162	760	2	266
Dividends/interest receivable	21	453	30	177
Organization cost	-	-	-	-
Prepaid Expenses	-	-	-	-
TOTAL ASSETS	87,512	206,406	33,107	689,731

LIABILITIES				
Securities sold short	-	-	-	-
Written options	-	175	-	-
Payable to custodian bank	-	-	-	-
Payable for investments purchased	169	8,321	-	17,728
Payable for fund shares redeemed	379	1,011	18	1,521
Payable to adviser	94	153	34	517
Payable to distributor	17	38	7	129
Accrued expenses/other liabilities	25	60	14	222
<b>TOTAL LIABILITIES</b>	<b>684</b>	<b>9,758</b>	<b>73</b>	<b>20,117</b>

<b>TOTAL NET ASSETS</b>	<b>\$86,828</b>	<b>\$196,648</b>	<b>\$33,034</b>	<b>\$669,614</b>
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NET ASSETS CONSIST OF:

Paid-in capital	\$71,825	\$107,909	\$32,183	\$366,155
Accumulated undistributed net investment income/(loss)	(752)	944	(269)	(3,888)
Accumulated net realized gain/(loss) from investments and from securities and options sold short, and foreign currency transactions	(7,379)	60,189	1,354	64,684
Net unrealized appreciation/(depreciation) on investments and on securities and options sold short, and translation of assets and liabilities in foreign currencies	23,134	27,606	(234)	242,663

<b>TOTAL NET ASSETS</b>	<b>\$86,828</b>	<b>\$196,648</b>	<b>\$33,034</b>	<b>\$669,614</b>
-------------------------	-----------------	------------------	-----------------	------------------

<b>INVESTMENTS, AT COST</b>	<b>\$62,982</b>	<b>\$170,177</b>	<b>\$33,309</b>	<b>\$427,726</b>
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<b>PROCEEDS FROM SECURITIES SOLD SHORT</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
--	----------	----------	----------	----------

<b>PREMIUMS FROM WRITTEN OPTIONS</b>	<b>-</b>	<b>\$142</b>	<b>-</b>	<b>-</b>
--------------------------------------	----------	--------------	----------	----------

PRICING OF SHARES:

Net Asset Value, offering, and redemption price per share	\$17.19	\$17.35	\$12.48	\$29.15
Net assets	\$86,828,303	\$196,647,752	\$33,034,288	\$669,614,156
Shares of beneficial interest outstanding with no par value	5,050,581	11,337,109	2,647,221	22,974,719

</TABLE>

The accompanying notes are an integral part of these financial statements.

SEMIANNUAL REPORT

STATEMENT OF OPERATIONS

<TABLE>

<CAPTION>

FOR THE SIX MONTHS ENDED JUNE 30, 1999 (UNAUDITED) (ALL NUMBERS IN THOUSANDS)	THE CONTRARIAN FUND-TM-	DIVERSIFIED GROWTH	EMERGING GROWTH
--	-------------------------------	-----------------------	--------------------

<S>	<C>	<C>	<C>
<b>INVESTMENT INCOME</b>			
Interest	\$215	\$71	\$956
Dividends	406	85	459
Withholding taxes on foreign dividends	(7)	-	(1)
Other income	-	-	206
<b>TOTAL INVESTMENT INCOME</b>	<b>614</b>	<b>156</b>	<b>1,620</b>



EXPENSES			
Investment advisory fees	917	445	3,168
Distribution fees	154	98	795
Transfer agent fees	124	40	198
Dividend expense for securities sold short	7	-	-
Custodian fees	39	42	48
Accounting/Administrative service fees	84	55	333
Shareholder reports	18	11	94
Professional fees	34	14	113
Registration fees	15	17	57
Interest expense	73	49	12
Trustees' fees and expenses	5	3	26
Other expense	2	2	51
<b>TOTAL EXPENSES</b>	<b>1,472</b>	<b>776</b>	<b>4,895</b>
Expenses waived by adviser	-	-	-
Other, including accounting/administrative fee waivers	(322)	(42)	-
<b>TOTAL EXPENSES, NET</b>	<b>1,150</b>	<b>734</b>	<b>4,895</b>
<b>NET INVESTMENT INCOME/(LOSS)</b>	<b>(536)</b>	<b>(578)</b>	<b>(3,275)</b>
<b>REALIZED GAIN/(LOSS) AND CHANGE IN UNREALIZED APPRECIATION/DEPRECIATION ON INVESTMENTS AND SECURITIES SOLD SHORT</b>			
Net realized gain/(loss) from investments and foreign currency transactions	(40,165)	17,727	145,509
Net realized gain/(loss) from securities and options sold short	2,685	1,039	-
Net change in unrealized appreciation/depreciation on investments and on translation of assets and liabilities in foreign currency	68,081	9,533	114,130
Net change in unrealized appreciation/depreciation on securities and options sold short	150	200	-
<b>NET GAIN ON INVESTMENTS AND SECURITIES SOLD SHORT</b>	<b>30,751</b>	<b>28,499</b>	<b>259,639</b>
<b>NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS</b>	<b>\$30,215</b>	<b>\$27,921</b>	<b>\$256,364</b>

</TABLE>

The accompanying notes are an integral part of these financial statements.

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RS FUNDS

<TABLE> <CAPTION>			
FOR THE SIX MONTHS ENDED JUNE 30, 1999 (UNAUDITED) (ALL NUMBERS IN THOUSANDS)	GLOBAL NATURAL RESOURCES	GLOBAL VALUE	THE INFORMATION AGE FUND-TM-
<S>	<C>	<C>	<C>
INVESTMENT INCOME			
Interest	\$22	\$12	\$98
Dividends	152	49	65
Withholding taxes on foreign dividends	(14)	(1)	(6)
Other income	-	-	-
<b>TOTAL INVESTMENT INCOME</b>	<b>160</b>	<b>60</b>	<b>157</b>

EXPENSES			
Investment advisory fees	199	50	868
Distribution fees	33	11	217
Transfer agent fees	39	28	55
Dividend expense for securities sold short	-	-	-
Custodian fees	6	3	14
Accounting/Administrative service fees	28	15	111
Shareholder reports	4	1	26
Professional fees	5	1	31
Registration fees	13	12	15
Interest expense	3	-	46
Trustees' fees and expenses	1	-	7
Other expense	6	2	193
<b>TOTAL EXPENSES</b>	<b>337</b>	<b>123</b>	<b>1,583</b>
Expenses waived by adviser	-	-	-
Other, including accounting/administrative fee waivers	(79)	(50)	(23)
<b>TOTAL EXPENSES, NET</b>	<b>258</b>	<b>73</b>	<b>1,560</b>
<b>NET INVESTMENT INCOME/(LOSS)</b>	<b>(98)</b>	<b>(13)</b>	<b>(1,403)</b>
<b>REALIZED GAIN/(LOSS) AND CHANGE IN UNREALIZED APPRECIATION/DEPRECIATION ON INVESTMENTS AND SECURITIES SOLD SHORT</b>			
Net realized gain/(loss) from investments and foreign currency transactions	(2,054)	(122)	31,321
Net realized gain/(loss) from securities and options sold short	-	-	-
Net change in unrealized appreciation/depreciation on investments and on translation of assets and liabilities in foreign currency	10,220	276	13,018
Net change in unrealized appreciation/depreciation on securities and options sold short	-	-	-
<b>NET GAIN ON INVESTMENTS AND SECURITIES SOLD SHORT</b>	<b>8,166</b>	<b>154</b>	<b>44,339</b>
<b>NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS</b>	<b>\$8,068</b>	<b>\$141</b>	<b>\$42,936</b>

</TABLE>

RS FUNDS

<TABLE> <CAPTION>				
FOR THE SIX MONTHS ENDED JUNE 30, 1999 (UNAUDITED) (ALL NUMBERS IN THOUSANDS)	MICROCAP GROWTH	MIDCAP OPPORTUNITIES	PARTNERS	VALUE + GROWTH
<S>	<C>	<C>	<C>	<C>
<b>INVESTMENT INCOME</b>				
Interest	\$84	\$971	\$20	\$48
Dividends	6	1,077	155	1,438
Withholding taxes on foreign dividends	-	-	(8)	-
Other income	-	-	-	12
<b>TOTAL INVESTMENT INCOME</b>	<b>90</b>	<b>2,048</b>	<b>167</b>	<b>1,498</b>

EXPENSES				
Investment advisory fees	534	901	235	3,365
Distribution fees	104	230	47	845
Transfer agent fees	47	66	55	250

Dividend expense for securities sold short	-	-	-	-
Custodian fees	21	34	8	34
Accounting/Administrative service fees	60	117	34	353
Shareholder reports	12	27	6	99
Professional fees	15	32	7	120
Registration fees	15	14	13	18
Interest expense	12	52	12	46
Trustees' fees and expenses	3	7	2	27
Other expense	12	98	140	229
<b>TOTAL EXPENSES</b>	<b>835</b>	<b>1,578</b>	<b>559</b>	<b>5,386</b>
Expenses waived by adviser	-	(120)	(165)	-
Other, including accounting/administrative fee waivers	(25)	(24)	(28)	-
<b>TOTAL EXPENSES, NET</b>	<b>810</b>	<b>1,434</b>	<b>366</b>	<b>5,386</b>
<b>NET INVESTMENT INCOME/(LOSS)</b>	<b>(720)</b>	<b>614</b>	<b>(199)</b>	<b>(3,888)</b>
<b>REALIZED GAIN/(LOSS) AND CHANGE IN UNREALIZED APPRECIATION/DEPRECIATION ON INVESTMENTS AND SECURITIES SOLD SHORT</b>				
Net realized gain/(loss) from investments and foreign currency transactions	3,771	46,406	4,488	54,381
Net realized gain/(loss) from securities and options sold short	-	2,628	-	-
Net change in unrealized appreciation/depreciation on investments and on translation of assets and liabilities in foreign currency	11,127	(10,954)	(1,903)	29,442
Net change in unrealized appreciation/depreciation on securities and options sold short	-	(113)	-	-
<b>NET GAIN ON INVESTMENTS AND SECURITIES SOLD SHORT</b>	<b>14,898</b>	<b>37,967</b>	<b>2,585</b>	<b>83,823</b>
<b>NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS</b>	<b>\$14,178</b>	<b>\$38,581</b>	<b>\$2,386</b>	<b>\$79,935</b>

</TABLE>

The accompanying notes are an integral part of these financial statements.

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SEMIANNUAL REPORT

STATEMENT OF CHANGES IN NET ASSETS

<TABLE>

<CAPTION>

THE CONTRARIAN FUND-TM-

	FOR THE SIX MONTHS ENDED JUNE 30, 1999	FOR THE YEAR ENDED DECEMBER 31, 1998
--	--	--------------------------------------

(ALL NUMBERS IN THOUSANDS, SIX MONTHS ENDED NUMBERS ARE UNAUDITED)

OPERATIONS

	<C>	<C>
Net investment income/(loss)	(\$536)	(\$2,143)
Net realized gain/(loss) from investments and foreign currency transactions	(40,165)	(69,899)
Net realized gain/(loss) from securities and options sold short	2,685	16,087
Net change in unrealized appreciation/depreciation on investments and on translation of assets and liabilities in foreign currency	68,081	(37,723)
Net change in unrealized appreciation/depreciation on securities and options sold short	150	(3,940)
<b>NET INCREASE/(DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS</b>	<b>30,215</b>	<b>(97,618)</b>

DISTRIBUTIONS TO SHAREHOLDERS

Net investment income - Class A Shares	-	-
Net investment income - Class C Shares	-	-
Realized gain on investments and securities sold short - Class A Shares	-	(9,423)
Realized gain on investments and securities sold short - Class C Shares	-	(45)
TOTAL DISTRIBUTIONS	-	(9,468)

CAPITAL SHARE TRANSACTIONS

Net increase/(decrease) in net assets resulting from capital share transactions	(20,521)	(169,975)
NET INCREASE/(DECREASE) FROM CAPITAL SHARE TRANSACTIONS	(20,521)	(169,975)

NET INCREASE/(DECREASE) IN NET ASSETS	9,694	(277,061)
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NET ASSETS

Beginning of Period	125,235	402,296
End of Period	\$134,929	\$125,235

UNDISTRIBUTED NET INVESTMENT INCOME/(LOSS) INCLUDED IN NET ASSETS	(4,100)	(3,564)
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</TABLE>

The accompanying notes are an integral part of these financial statements.

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RS FUNDS

<TABLE>  
<CAPTION>

DIVERSIFIED GROWTH		EMERGING GROWTH	
FOR THE SIX MONTHS ENDED	FOR THE YEAR ENDED	FOR THE SIX MONTHS ENDED	FOR THE YEAR ENDED
JUNE 30, 1999	DECEMBER 31, 1998	JUNE 30, 1999	DECEMBER 31, 1998

(ALL NUMBERS IN THOUSANDS, SIX MONTHS ENDED NUMBERS ARE UNAUDITED)

OPERATIONS

<S>	<S>	<C>	<C>	<C>	<C>
Net investment income/(loss)	(\$578)	(\$953)	(\$3,275)	(\$2,927)	
Net realized gain/(loss) from investments and foreign currency transactions	17,727	6,579	145,509	(14,071)	
Net realized gain/(loss) from securities and options sold short	1,039	1,385	-	-	
Net change in unrealized appreciation/depreciation on investments and on translation of assets and liabilities in foreign currency	9,533	2,763	114,130	100,440	
Net change in unrealized appreciation/depreciation on securities and options sold short	200	(519)	-	-	
NET INCREASE/(DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS	27,921	9,255	256,364	83,442	

DISTRIBUTIONS TO SHAREHOLDERS

Net investment income - Class A Shares	-	-	-	-
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Net investment income - Class C Shares	-	-	-	-
Realized gain on investments and securities sold short - Class A Shares	-	(1,605)	-	(14,201)
Realized gain on investments and securities sold short - Class C Shares	-	(25)	-	(38)
TOTAL DISTRIBUTIONS	-	(1,630)	-	(14,239)

CAPITAL SHARE TRANSACTIONS

Net increase/(decrease) in net assets resulting from capital share transactions	650	(18,121)	346,902	86,173
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NET INCREASE/(DECREASE) FROM CAPITAL SHARE TRANSACTIONS	650	(18,121)	346,902	86,173
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NET INCREASE/(DECREASE) IN NET ASSETS	28,571	(10,496)	603,266	155,376
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NET ASSETS

Beginning of Period	70,158	80,654	404,436	249,060
End of Period	\$98,729	\$70,158	\$1,007,702	\$404,436

UNDISTRIBUTED NET INVESTMENT INCOME/(LOSS) INCLUDED IN NET ASSETS	(612)	(34)	(6,258)	(2,983)
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</TABLE>

RS FUNDS

<TABLE>

<CAPTION>

GLOBAL NATURAL RESOURCES		GLOBAL VALUE	
FOR THE SIX MONTHS ENDED	FOR THE YEAR ENDED	FOR THE SIX MONTHS ENDED	FOR THE YEAR ENDED
JUNE 30, 1999	DECEMBER 31, 1998	JUNE 30, 1999	DECEMBER 31, 1998

(ALL NUMBERS IN THOUSANDS, SIX MONTHS ENDED NUMBERS ARE UNAUDITED)

OPERATIONS

<S>	<C>	<C>	<C>	<C>
Net investment income/(loss)	(\$98)	(\$352)	(\$13)	\$231
Net realized gain/(loss) from investments and foreign currency transactions	(2,054)	(20,494)	(122)	2,072
Net realized gain/(loss) from securities and options sold short	-	-	-	-
Net change in unrealized appreciation/depreciation on investments and on translation of assets and liabilities in foreign currency	10,220	3,193	276	(571)
Net change in unrealized appreciation/depreciation on securities and options sold short	-	-	-	-
NET INCREASE/(DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS	8,068	(17,653)	141	1,732

DISTRIBUTIONS TO SHAREHOLDERS

Net investment income - Class A Shares	-	-	-	(55)
Net investment income - Class C Shares	-	-	-	(1)
Realized gain on investments and securities sold short - Class A Shares	-	(628)	-	(2,344)
Realized gain on investments and securities sold short - Class C Shares	-	(1)	-	(98)

TOTAL DISTRIBUTIONS	-	(629)	-	(2,498)
CAPITAL SHARE TRANSACTIONS				
Net increase/(decrease) in net assets resulting from capital share transactions	3,090	(36,612)	(2,015)	(11,805)
NET INCREASE/(DECREASE) FROM CAPITAL SHARE TRANSACTIONS	3,090	(36,612)	(2,015)	(11,805)
NET INCREASE/(DECREASE) IN NET ASSETS	11,158	(54,894)	(1,874)	(12,571)
NET ASSETS				
Beginning of Period	23,507	78,401	8,641	21,212
End of Period	\$34,665	\$23,507	\$6,767	\$8,641
UNDISTRIBUTED NET INVESTMENT INCOME/(LOSS) INCLUDED IN NET ASSETS	(122)	(24)	10	23

</TABLE>

The accompanying notes are an integral part of these financial statements.

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SEMIANNUAL REPORT

STATEMENT OF CHANGES IN NET ASSETS - CONTINUED

<TABLE>  
<CAPTION>

THE INFORMATION AGE FUND-TM-  
FOR THE SIX MONTHS ENDED JUNE 30, 1999 FOR THE YEAR ENDED DECEMBER 31, 1998

(ALL NUMBERS IN THOUSANDS)

OPERATIONS

<S>	<C>	<C>
Net investment income/(loss)	(\$1,403)	(\$1,831)
Net realized gain/(loss) from investments and foreign currency transactions	31,321	11,928
Net realized gain/(loss) from securities and options sold short	-	-
Net change in unrealized appreciation/depreciation on investments and on translation of assets and liabilities in foreign currency	13,018	42,133
Net change in unrealized appreciation/depreciation on securities and options sold short	-	-
NET INCREASE/(DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS	42,936	52,230

DISTRIBUTIONS TO SHAREHOLDERS

Net investment income - Class A Shares	-	-
Net investment income - Class C Shares	-	-
Realized gain on investments and securities sold short - Class A Shares	-	-
Realized gain on investments and securities sold short - Class C Shares	-	-
TOTAL DISTRIBUTIONS	-	-

## CAPITAL SHARE TRANSACTIONS

Net increase/(decrease) in net assets resulting from capital share transactions	(14,075)	(11,409)
NET INCREASE/(DECREASE) FROM CAPITAL SHARE TRANSACTIONS	(14,075)	(11,409)
NET INCREASE/(DECREASE) IN NET ASSETS	28,861	40,821
NET ASSETS		
Beginning of Period	159,732	118,911
End of Period	\$188,593	\$159,732
UNDISTRIBUTED NET INVESTMENT INCOME/(LOSS) INCLUDED IN NET ASSETS	(1,439)	(36)

&lt;/TABLE&gt;

The accompanying notes are an integral part of these financial statements.

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## RS FUNDS

	MICROCAP GROWTH		MIDCAP OPPORTUNITIES	
	FOR THE SIX MONTHS ENDED JUNE 30, 1999	FOR THE YEAR ENDED DECEMBER 31, 1998	FOR THE SIX MONTHS ENDED JUNE 30, 1999	FOR THE YEAR ENDED DECEMBER 31, 1998
(ALL NUMBERS IN THOUSANDS)				
OPERATIONS				
<S>	<C>	<C>	<C>	<C>
Net investment income/(loss)	(\$720)	(\$1,634)	\$614	\$2,433
Net realized gain/(loss) from investments and foreign currency transactions	3,771	(7,901)	46,406	20,462
Net realized gain/(loss) from securities and options sold short	-	-	2,628	(2,859)
Net change in unrealized appreciation/depreciation on investments and on translation of assets and liabilities in foreign currency	11,127	9,287	(10,954)	1,306
Net change in unrealized appreciation/depreciation on securities and options sold short	-	-	(113)	96
NET INCREASE/(DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS	14,178	(248)	38,581	21,438
DISTRIBUTIONS TO SHAREHOLDERS				
Net investment income - Class A Shares	-	-	-	(2,455)
Net investment income - Class C Shares	-	-	-	(25)
Realized gain on investments and securities sold short - Class A Shares	-	-	-	(9,852)
Realized gain on investments and securities sold short - Class C Shares	-	-	-	(115)
TOTAL DISTRIBUTIONS	-	-	-	(12,447)
CAPITAL SHARE TRANSACTIONS				
Net increase/(decrease) in net assets resulting from capital share transactions	(22,637)	(10,727)	(28,085)	(122,897)

NET INCREASE/(DECREASE) FROM CAPITAL SHARE TRANSACTIONS	(22,637)	(10,727)	(28,085)	(122,897)
NET INCREASE/(DECREASE) IN NET ASSETS	(8,459)	(10,975)	10,496	(113,906)
NET ASSETS				
Beginning of Period	95,287	106,262	186,152	300,058
End of Period	\$86,828	\$95,287	\$196,648	\$186,152
UNDISTRIBUTED NET INVESTMENT INCOME/(LOSS) INCLUDED IN NET ASSETS	(752)	(32)	944	330

</TABLE>

RS FUNDS

	PARTNERS		VALUE + GROWTH	
	FOR THE SIX MONTHS ENDED JUNE 30, 1999	FOR THE YEAR ENDED DECEMBER 31, 1998	FOR THE SIX MONTHS ENDED JUNE 30, 1999	FOR THE YEAR ENDED DECEMBER 31, 1998
(ALL NUMBERS IN THOUSANDS)				

OPERATIONS

	<C>	<C>	<C>	<C>
Net investment income/(loss)	(\$199)	(\$312)	(\$3,888)	(\$6,887)
Net realized gain/(loss) from investments and foreign currency transactions	4,488	(3,585)	54,381	74,024
Net realized gain/(loss) from securities and options sold short	-	-	-	-
Net change in unrealized appreciation/depreciation on investments and on translation of assets and liabilities in foreign currency	(1,903)	(24,734)	29,442	98,703
Net change in unrealized appreciation/depreciation on securities and options sold short	-	-	-	-
NET INCREASE/(DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS	2,386	(28,631)	79,935	165,840

DISTRIBUTIONS TO SHAREHOLDERS

Net investment income - Class A Shares	-	(2,472)	-	-
Net investment income - Class C Shares	-	(10)	-	-
Realized gain on investments and securities sold short - Class A Shares	-	(1,523)	-	(79,376)
Realized gain on investments and securities sold short - Class C Shares	-	(6)	-	(188)
TOTAL DISTRIBUTIONS	-	(4,011)	-	(79,564)

CAPITAL SHARE TRANSACTIONS

Net increase/(decrease) in net assets resulting from capital share transactions	(17,422)	(114,422)	(89,406)	(161,431)
NET INCREASE/(DECREASE) FROM CAPITAL SHARE TRANSACTIONS	(17,422)	(114,422)	(89,406)	(161,431)
NET INCREASE/(DECREASE) IN NET ASSETS	(15,036)	(147,064)	(9,471)	(75,155)



NET ASSETS

Beginning of Period	48,070	195,134	679,085	754,240
End of Period	\$33,034	\$48,070	\$669,614	\$679,085

UNDISTRIBUTED NET INVESTMENT INCOME/(LOSS) INCLUDED IN NET ASSETS	(269)	(70)	(3,888)	-
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</TABLE>

The accompanying notes are an integral part of these financial statements.

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SEMIANNUAL REPORT

FINANCIAL HIGHLIGHTS

<TABLE>

<CAPTION>

	NET ASSET VALUE, BEGINNING OF PERIOD	NET INVESTMENT INCOME/(LOSS)	NET REALIZED AND UNREALIZED GAIN/(LOSS)	TOTAL OPERATIONS	DISTRIBUTIONS FROM NET INVESTMENT INCOME	DISTRIBUTIONS FROM NET REALIZED CAPITAL GAINS
--	--	------------------------------------	---	---------------------	---	--

THE CONTRARIAN FUND-TM-

<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Six Months Ended 6/30/99	\$7.23	\$(0.07)	\$2.09	\$2.02	\$	-	\$ -
Year Ended 12/31/98	11.61	(0.08)	(3.72)	(3.80)	-	-	(0.58)
Year Ended 12/31/97	16.57	-	(4.88)	(4.88)	-	-	(0.08)
Year Ended 12/31/96	13.78	-	2.99	2.99	-	-	(0.20)
Nine Months Ended 12/31/95(1)	10.70	(0.01)	3.09	3.08	-	-	-
Year Ended 3/31/95	12.34	(0.04)	(1.35)	(1.39)	-	-	(0.25)

DIVERSIFIED GROWTH

Six Months Ended 6/30/99	15.89	(0.13)	7.25	7.12	-	-
Year Ended 12/31/98	14.04	(0.19)	2.43	2.24	-	(0.39)
Year Ended 12/31/97	12.42	(0.17)	3.72	3.55	-	(1.93)
Period Ended 12/31/96(1,2)	10.00	(0.05)	2.47	2.42	-	-

EMERGING GROWTH

Six Months Ended 6/30/99	22.95	(0.04)	11.44	11.40	-	-
Year Ended 12/31/98	18.71	(0.20)	5.32	5.12	-	(0.88)
Year Ended 12/31/97	20.07	(0.14)	3.80	3.66	-	(5.02)
Year Ended 12/31/96	19.21	(0.17)	4.23	4.06	-	(3.20)
Nine Months Ended 12/31/95(1)	18.36	(0.15)	2.58	2.43	-	(1.58)
Year Ended 3/31/95	18.37	(0.17)	2.26	2.09	-	(2.10)

GLOBAL NATURAL RESOURCES

Six Months Ended 6/30/99	7.46	(0.03)	2.57	2.54	-	-
Year Ended 12/31/98	11.67	(0.07)	(3.95)	(4.02)	-	(0.19)
Year Ended 12/31/97	14.29	(0.05)	(2.39)	(2.44)	-	(0.18)
Year Ended 12/31/96	10.12	(0.06)	4.24	4.18	(0.01)	-
Period Ended 12/31/95(1,3)	10.00	0.02	0.10	0.12	-	-

GLOBAL VALUE

Six Months Ended 6/30/99	9.03	(0.01)	0.36	0.35	-	-
Year Ended 12/31/98	11.15	0.16	1.03	1.19	(0.08)	(3.23)
Period Ended 12/31/97(1,4)	10.00	0.28	1.69	1.97	(0.22)	(0.60)

</TABLE>

See notes to Financial Highlights on page 63.

The accompanying notes are an integral part of these financial statements.

## RS FUNDS

<TABLE>  
<CAPTION>

	NET ASSET VALUE, END OF PERIOD	TOTAL RETURN (1)	NET ASSETS END OF PERIOD (000s)	NET RATIO OF EXPENSES TO AVERAGE NET ASSETS (1)
--	--------------------------------------	---------------------	---------------------------------------	--

## THE CONTRARIAN FUND-TM-

<S>	<C>	<C>	<C>	<C>
Six Months Ended 6/30/99	\$9.25	27.94%	\$134,929	1.87%
Year Ended 12/31/98	7.23	(32.69)%	124,666	2.83%
Year Ended 12/31/97	11.61	(29.51)%	398,242	2.48%
Year Ended 12/31/96	16.57	21.68%	1,063,438	2.46%
Nine Months Ended 12/31/95 (1)	13.78	28.79%	507,477	2.54%
Year Ended 3/31/95	10.70	(11.23)%	397,646	2.46%

## DIVERSIFIED GROWTH

Six Months Ended 6/30/99	23.01	44.81%	98,729	1.90%
Year Ended 12/31/98	15.89	16.28%	69,031	1.89%
Year Ended 12/31/97	14.04	29.45%	80,278	1.94%
Period Ended 12/31/96 (1,2)	12.42	24.20%	59,588	2.28%

## EMERGING GROWTH

Six Months Ended 6/30/99	34.35	49.67%	1,007,702	1.53%
Year Ended 12/31/98	22.95	28.02%	403,330	1.47%
Year Ended 12/31/97	18.71	18.54%	248,730	1.50%
Year Ended 12/31/96	20.07	21.53%	210,404	1.60%
Nine Months Ended 12/31/95 (1)	19.21	13.50%	167,728	1.64%
Year Ended 3/31/95	18.36	12.01%	182,275	1.56%

## GLOBAL NATURAL RESOURCES

Six Months Ended 6/30/99	10.00	34.05%	34,665	1.93%
Year Ended 12/31/98	7.46	(34.45)%	23,476	1.95%
Year Ended 12/31/97	11.67	(17.14)%	78,371	1.81%
Year Ended 12/31/96	14.29	41.21%	120,521	1.94%
Period Ended 12/31/95 (1,3)	10.12	1.20%	792	2.60%

## GLOBAL VALUE

Six Months Ended 6/30/99	9.38	3.88%	6,767	1.95%
Year Ended 12/31/98	9.03	11.11%	8,229	1.95%
Period Ended 12/31/97 (1,4)	11.15	19.97%	21,019	1.95%

&lt;/TABLE&gt;

## RS FUNDS

<TABLE>  
<CAPTION>

	GROSS RATIO OF EXPENSES TO AVERAGE NET ASSETS (1)	NET RATIO OF NET INVESTMENT INCOME/(LOSS) TO AVERAGE NET ASSETS (1)	GROSS RATIO OF NET INVESTMENT INCOME/(LOSS) TO AVERAGE NET ASSETS (1)	PORTFOLIO TURNOVER RATE (1)
--	--	--	--	-----------------------------------

## THE CONTRARIAN FUND-TM-

<S>	<C>	<C>	<C>	<C>
Six Months Ended 6/30/99	2.39%	(0.87)%	(1.39)%	56%
Year Ended 12/31/98	2.83%	(0.80)%	(0.80)%	39%
Year Ended 12/31/97	2.48%	0.01%	0.01%	36%
Year Ended 12/31/96	2.46%	(0.02)%	(0.02)%	44%
Nine Months Ended 12/31/95 (1)	2.54%	(0.20)%	(0.20)%	29%
Year Ended 3/31/95	2.58%	(0.27)%	(0.27)%	79%

DIVERSIFIED GROWTH

Six Months Ended 6/30/99	2.00%	(1.49)%	(1.60)%	279%
Year Ended 12/31/98	1.95%	(1.29)%	(1.35)%	403%
Year Ended 12/31/97	2.14%	(1.20)%	(1.40)%	370%
Period Ended 12/31/96(1,2)	2.44%	(1.05)%	(1.21)%	69%

EMERGING GROWTH

Six Months Ended 6/30/99	1.53%	(1.03)%	(1.03)%	118%
Year Ended 12/31/98	1.47%	(1.03)%	(1.03)%	291%
Year Ended 12/31/97	1.50%	(0.68)%	(0.68)%	462%
Year Ended 12/31/96	1.60%	(0.83)%	(0.83)%	270%
Nine Months Ended 12/31/95(1)	1.64%	(0.99)%	(0.99)%	147%
Year Ended 3/31/95	1.56%	(0.96)%	(0.96)%	280%

GLOBAL NATURAL RESOURCES

Six Months Ended 6/30/99	2.53%	(0.73)%	(1.33)%	71%
Year Ended 12/31/98	2.21%	(0.69)%	(0.96)%	63%
Year Ended 12/31/97	1.82%	(0.38)%	(0.38)%	97%
Year Ended 12/31/96	2.16%	(0.45)%	(0.67)%	82%
Period Ended 12/31/95(1,3)	14.25%	1.84%	(9.81)%	0%

GLOBAL VALUE

Six Months Ended 6/30/99	3.30%	(0.35)%	(1.69)%	77%
Year Ended 12/31/98	2.99%	1.37%	0.33%	279%
Period Ended 12/31/97(1,4)	3.21%	3.50%	2.24%	234%

</TABLE>

See notes to Financial Highlights on page 63.

The accompanying notes are an integral part of these financial statements.

SEMIANNUAL REPORT

FINANCIAL HIGHLIGHTS -- CONTINUED

	NET ASSET VALUE, BEGINNING OF PERIOD	NET INVESTMENT INCOME/(LOSS)	NET REALIZED AND UNREALIZED GAIN/(LOSS)	TOTAL OPERATIONS	DISTRIBUTIONS FROM NET INVESTMENT INCOME	DISTRIBUTIONS FROM NET REALIZED CAPITAL GAINS
--	--	------------------------------------	---	---------------------	---	--

THE INFORMATION AGE FUND-TM-

<S>	<C>	<C>	<C>	<C>	<C>	<C>
Six Months Ended 6/30/99	\$17.96	\$ (0.17)	\$5.45	\$5.28	\$	-
Year Ended 12/31/98	11.80	(0.20)	6.36	6.16	-	-
Year Ended 12/31/97	11.51	(0.22)	0.95	0.73	-	(0.44)
Year Ended 12/31/96	9.30	(0.20)	2.68	2.48	-	(0.27)
Period Ended 12/31/95(1,3)	10.00	(0.01)	(0.69)	(0.70)	-	-

MICROCAP GROWTH

Six Months Ended 6/30/99	14.26	(0.14)	3.07	2.93	-	-
Year Ended 12/31/98	14.35	(0.21)	0.12	(0.09)	-	-
Year Ended 12/31/97	11.00	(0.19)	3.54	3.35	-	-
Period Ended 12/31/96(1,5)	10.00	(0.08)	1.08	1.00	-	-

MIDCAP OPPORTUNITIES

Six Months Ended 6/30/99	14.04	0.06	3.25	3.31	-	-
Year Ended 12/31/98	13.52	0.14	1.34	1.48	(0.19)	(0.77)
Year Ended 12/31/97	13.62	0.07	2.90	2.97	(0.04)	(3.03)
Year Ended 12/31/96	11.24	0.02	2.70	2.72	(0.02)	(0.32)
Period Ended 12/31/95(1,6)	10.00	-	1.24	1.24	-	-

PARTNERS

Six Months Ended 6/30/99	11.53	(0.08)	1.03	0.95	-	-
Year Ended 12/31/98	16.49	(0.04)	(4.31)	(4.35)	(0.38)	(0.23)
Year Ended 12/31/97	14.60	0.13	2.52	2.65	(0.12)	(0.64)
Year Ended 12/31/96	10.39	0.13	4.36	4.49	(0.06)	(0.22)
Period Ended 12/31/95(1,6)	10.00	0.06	0.33	0.39	-	-

VALUE + GROWTH

Six Months Ended 6/30/99	25.92	(0.17)	3.40	3.23	-	-
Year Ended 12/31/98	23.18	(0.25)	6.33	6.08	-	(3.34)
Year Ended 12/31/97	24.16	(0.26)	3.71	3.45	-	(4.43)
Year Ended 12/31/96	22.66	(0.24)	3.47	3.23	-	(1.73)
Nine Months Ended 12/31/95(1)	18.25	(0.16)	4.57	4.41	-	-
Year Ended 3/31/95	13.56	(0.18)	5.07	4.89	-	(0.20)

</TABLE>

See notes to Financial Highlights on page 63.

The accompanying notes are an integral part of these financial statements.

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RS FUNDS

<TABLE>  
<CAPTION>

	NET ASSET, VALUE END OF PERIOD	TOTAL RETURN (1)	NET ASSETS END OF PERIOD (000S)	NET RATIO OF EXPENSES TO AVERAGE NET ASSETS (1)
--	--------------------------------------	---------------------	---------------------------------------	--

THE INFORMATION AGE FUND-TM-

<S>	<C>	<C>	<C>	<C>
Six Months Ended 6/30/99	\$23.24	29.40%	\$188,593	1.78%
Year Ended 12/31/98	17.96	52.20%	159,604	1.74%
Year Ended 12/31/97	11.80	6.15%	118,832	1.82%
Year Ended 12/31/96	11.51	26.72%	106,264	2.03%
Period Ended 12/31/95(1,3)	9.30	(7.00)%	32,826	2.13%

MICROCAP GROWTH

Six Months Ended 6/30/99	17.19	20.55%	86,828	1.93%
Year Ended 12/31/98	14.26	(0.63)%	94,723	1.91%
Year Ended 12/31/97	14.35	30.45%	104,858	1.95%
Period Ended 12/31/96(1,5)	11.00	10.00%	9,464	3.08%

MIDCAP OPPORTUNITIES

Six Months Ended 6/30/99	17.35	23.58%	196,648	1.58%
Year Ended 12/31/98	14.04	11.65%	183,910	1.30%
Year Ended 12/31/97	13.52	22.40%	298,669	1.30%
Year Ended 12/31/96	13.62	24.16%	309,775	1.71%
Period Ended 12/31/95(1,6)	11.24	12.40%	136,902	1.94%

PARTNERS

Six Months Ended 6/30/99	12.48	8.24%	33,034	1.93%
Year Ended 12/31/98	11.53	(27.38)%	47,936	1.88%
Year Ended 12/31/97	16.49	18.08%	194,133	1.78%
Year Ended 12/31/96	14.60	43.15%	127,268	1.93%
Period Ended 12/31/95(1,6)	10.39	3.90%	7,480	2.41%

VALUE + GROWTH

Six Months Ended 6/30/99	29.15	12.46%	669,614	1.59%
Year Ended 12/31/98	25.92	27.44%	677,505	1.46%
Year Ended 12/31/97	23.18	13.81%	752,994	1.44%
Year Ended 12/31/96	24.16	14.12%	643,157	1.51%
Nine Months Ended 12/31/95(1)	22.66	24.16%	1,140,151	1.45%
Year Ended 3/31/95	18.25	36.27%	428,903	1.68%

</TABLE>

&lt;TABLE&gt;

&lt;CAPTION&gt;

	GROSS RATIO OF EXPENSES TO AVERAGE NET ASSETS (1)	NET RATIO OF NET INVESTMENT INCOME/ (LOSS) TO AVERAGE NET ASSETS (1)	GROSS RATIO OF NET INVESTMENT INCOME/ (LOSS) TO AVERAGE NET ASSETS (1)	PORTFOLIO TURNOVER RATE (1)
--	--	---	---	-----------------------------------

THE INFORMATION AGE FUND-TM-

<S>	<C>	<C>	<C>	<C>
Six Months Ended 6/30/99	1.81%	(1.60)%	(1.63)%	149%
Year Ended 12/31/98	1.74%	(1.55)%	(1.55)%	224%
Year Ended 12/31/97	1.82%	(1.71)%	(1.71)%	369%
Year Ended 12/31/96	2.03%	(1.85)%	(1.85)%	452%
Period Ended 12/31/95 (1,3)	2.13%	(0.89)%	(0.89)%	89%

MICROCAP GROWTH

Six Months Ended 6/30/99	1.99%	(1.72)%	(1.78)%	43%
Year Ended 12/31/98	2.01%	(1.46)%	(1.56)%	108%
Year Ended 12/31/97	2.60%	(1.35)%	(2.00)%	170%
Period Ended 12/31/96 (1,5)	6.40%	(2.13)%	(5.45)%	22%

MIDCAP OPPORTUNITIES

Six Months Ended 6/30/99	1.74%	0.68%	0.52%	223%
Year Ended 12/31/98	1.64%	1.00%	0.65%	212%
Year Ended 12/31/97	1.72%	0.45%	0.03%	236%
Year Ended 12/31/96	1.76%	0.18%	0.13%	212%
Period Ended 12/31/95 (1,6)	1.94%	(0.01)%	(0.01)%	97%

PARTNERS

Six Months Ended 6/30/99	2.95%	(1.05)%	(2.07)%	43%
Year Ended 12/31/98	2.07%	(0.26)%	(0.46)%	73%
Year Ended 12/31/97	1.78%	0.82%	0.82%	78%
Year Ended 12/31/96	2.15%	0.95%	0.73%	101%
Period Ended 12/31/95 (1,6)	5.12%	1.34%	(1.37)%	71%

VALUE + GROWTH

Six Months Ended 6/30/99	1.59%	(1.15)%	(1.15)%	51%
Year Ended 12/31/98	1.46%	(0.96)%	(0.96)%	190%
Year Ended 12/31/97	1.44%	(0.96)%	(0.96)%	228%
Year Ended 12/31/96	1.51%	(1.06)%	(1.06)%	221%
Nine Months Ended 12/31/95 (1)	1.45%	(1.04)%	(1.04)%	104%
Year Ended 3/31/95	1.68%	(1.09)%	(1.09)%	232%

&lt;/TABLE&gt;

Per-share data has been determined by using the average number of shares outstanding throughout the period. Distributions reflect actual per-share amounts distributed for the period.

- (1) Ratios, except for total return and portfolio turnover rate, have been annualized.
- (2) Diversified Growth Fund shares were first issued on 8/1/96.
- (3) Global Natural Resources and The Information Age Fund-TM- shares were first issued on 11/15/95.
- (4) Global Value Fund shares were first issued on 4/1/97.
- (5) MicroCap Growth shares were first issued on 8/15/96.
- (6) MidCap Opportunities Fund and Partners Fund shares were first issued on 7/12/95.

The accompanying notes are an integral part of these financial statements.

## NOTES TO FINANCIAL STATEMENTS

The RS Mutual Funds (a "Fund," the "Funds") are a series of the RS Investment Trust (the "Trust"), a Massachusetts business trust organized on May 11, 1987. The Funds are registered under the Investment Company Act of 1940, as amended (the "1940 Act"), as open-end management investment companies. The Trust currently offers ten portfolios. The RS Emerging Growth Fund, the RS Value + Growth Fund, the RS MidCap Opportunities Fund (formerly Growth & Income), The Information Age Fund-TM-, the RS Global Natural Resources Fund, the RS Diversified Growth Fund, and the RS MicroCap Growth Fund are registered as diversified funds. The Contrarian Fund-TM-, the RS Partners Fund, and the RS Global Value Fund are registered as non-diversified funds. Each Portfolio consists of a single class of shares.

## NOTE 1 SIGNIFICANT ACCOUNTING POLICIES:

The following policies are in conformity with generally accepted accounting principles. The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

## a. INVESTMENT VALUATIONS:

Marketable securities are valued at the last sale price on the principal exchange or market on which they are traded; or, if there were no sales that day, at the mean between the closing bid and asked prices. Short-term investments that will mature in 60 days or less are stated at amortized cost, which approximates market value. Foreign securities are generally denominated in foreign currencies. The currencies are translated into U.S. dollars by using the exchange rates quoted at the close of The London Stock Exchange prior to when each Funds' net asset value is next determined.

Securities for which market quotations are not readily available are valued at their fair value as determined in accordance with the guidelines and procedures adopted by the Funds' Board of Trustees. The guidelines and procedures use fundamental valuation methods which include, but are not limited to, the analysis of: the effect of any restrictions on the sale of the security, product development and trends of the security's issuer, changes in the industry and other competing companies, significant changes in the issuer's financial position, and any other event that could have a significant impact on the value of the security. The approximate percentages of each Funds' long positions valued using these guidelines and procedures at June 30, 1999, were as follows:

&lt;TABLE&gt;

&lt;CAPTION&gt;

FUND	PERCENTAGE OF LONG POSITIONS	FUND	PERCENTAGE OF LONG POSITIONS
<S>	<C>	<C>	<C>
The Contrarian Fund-TM-	0.1%	The Information Age Fund-TM-	0%
Diversified Growth	4.0%	MicroCap Growth	0%
Emerging Growth	0%	MidCap Opportunities	0.8%
Global Natural Resources	0.1%	Partners	0.4%
Global Value	0%	Value + Growth	0%

&lt;/TABLE&gt;

In their normal course of business, some of the Funds may invest a significant portion of their assets in companies concentrated within a number of industries. Accordingly, the performance of these Funds may be subject to a greater risk of market fluctuation than that of a fund invested in a wider spectrum of market or industrial sectors.

Options and warrants for which market quotations were not readily available were priced using the modified Black-Scholes Valuation Formula. The Black-Scholes Valuation Formula values an option or warrant by determining the differential between the exercise price of the option or warrant and the current price of the underlying stock, based on a number of factors. These factors include, but are not limited to, current price of the underlying stock, exercise price of the option or warrant, time to expiration, assumed riskless rate of interest, compounded rate of return on the stock, and standard deviation of the return on the stock. This valuation method is subject to frequent review and is in accordance with the guidelines and procedures adopted by the Funds' Board of Trustees.

## b. REPURCHASE AGREEMENTS:

Repurchase agreements are fully collateralized by U.S. government securities. All collateral is held by the Funds' custodian and is monitored daily to ensure

that the collateral's market value equals at least 100% of the repurchase price under the agreement. However, in the event of default or bankruptcy, realization and/or retention of the collateral may be subject to legal proceedings. Each Fund's policy is to limit repurchase agreement transactions to those parties deemed by the Fund's Investment Adviser to have satisfactory creditworthiness.

c. FEDERAL INCOME TAXES:

The Funds intend to comply with requirements of the Internal Revenue Code, qualifying as a regulated investment company and to distribute all net investment income and realized net capital gains, if any, to shareholders. Therefore, the Funds do not expect to be subject to income tax, and no provision for such tax will be made.

d. SECURITIES TRANSACTIONS:

Securities transactions are accounted for on the date securities are purchased, sold, or sold short (trade date). Realized gains or losses on securities transactions are determined on the basis of specific identification.

e. FOREIGN CURRENCY TRANSLATION:

The accounting records of the Funds are maintained in U.S. dollars. Investments securities and all other assets and liabilities of the Funds denominated in a foreign currency are translated into U.S. dollars at the exchange rate each day. Purchases and sales of securities, income receipts, and expense payments are translated into U.S. dollars at the exchange rate in effect on the dates of the respective transactions. The Funds do not isolate the portion of the fluctuations on investments resulting from changes in foreign currency exchange rates from the fluctuations in market prices of investments held. Such fluctuations are included with the net realized and unrealized gain or loss from investments.

f. INVESTMENT INCOME:

Dividend income is recorded on the ex-dividend date, except certain cash dividends from foreign securities that are recorded as soon as the Funds are informed of the ex-dividend date. Interest income, which includes accretion, is accrued and recorded daily.

g. EXPENSES:

Most expenses of the Trust can be directly attributed to a specific Fund. Expenses that cannot be directly attributed to a specific fund are apportioned between the Funds in the Trust, based on relative net assets.

Other expense includes the adjustment of prior year expense underaccruals. Furthermore, other, including accounting/administrative fee waivers, represents the adjustment of prior year expense overaccruals and the waiver of fees by the Funds' accounting agent/administrator.

h. DISTRIBUTIONS TO SHAREHOLDERS:

Dividends to shareholders are recorded on the ex-dividend date. Income and capital gain distributions are determined in accordance with income tax regulations, which may differ from generally accepted accounting principles. These differences are primarily due to differing treatments of income and

RS FUNDS

gains on various investment securities held by the Funds, timing differences and differing characterizations of distributions made by the Funds. Permanent book and tax basis differences relating to shareholder distributions will result in reclassifications to paid in capital. Undistributed net investment income and accumulated undistributed net realized gain/(loss) on investments and foreign currency transactions may include temporary book and tax differences which will reverse in a subsequent period. During any particular year net realized gains from investment transactions, in excess of available capital loss carryforwards, would be taxable to the Funds if not distributed and, therefore, would be distributed to shareholders annually.

At June 30, 1999, the Funds had the following capital loss carryovers available:

<TABLE>  
<CAPTION>

EXPIRING	2004	2005	2006	TOTAL
<S>	<C>	<C>	<C>	<C>
MicroCap Growth	80,838	1,072,261	7,549,652	8,702,751
Partners	-	-	3,133,817	3,133,817
Contrarian	-	-	49,471,550	49,471,550

</TABLE>

i. CLASS ALLOCATIONS:

Income, common expenses, and realized and unrealized gains/(losses) are determined at the Fund level and allocated daily to each class of shares based on the appropriate net assets of the respective classes. Distribution/shareholder service fees, and any other class specific expenses, if any, are calculated daily at the class level based on the appropriate daily net assets of each class and the specific expense rate applicable to each class. Effective April 16, 1999, the Funds' outstanding Class C shares were converted to Class A shares.

j. CAPITAL ACCOUNTS:

Due to the timing of dividend distributions and the differences in accounting for income and realized gains/(losses) for financial statement and federal income tax purposes, the fiscal year in which amounts are distributed may differ from the year in which the income and realized gains/(losses) were recorded by the Funds.

k. TEMPORARY BORROWINGS:

All Funds within the Trust share in a \$40 million, uncommitted revolving credit and/or overdraft protection facility (expiring September 1, 1999) from Wilmington Trust Company for temporary purposes, including the meeting of redemption requests that otherwise might require the untimely disposition of securities. Interest is calculated based on the market rates at the time of borrowing. Each Fund may borrow up to a maximum of 10 percent of its total assets under the agreement.

NOTE 2 CAPITAL SHARES:

a. TRANSACTIONS:

The Funds have authorized an unlimited number of shares of beneficial interest with no par value. Prior to April 16, 1999, the Funds offered two classes of shares, Class A and C shares. Effective April 16, 1999, the Funds' outstanding Class C shares were converted to Class A shares. Transactions in capital shares for Class A for the six months ended June 30, 1999, and the year ended December 31, 1998 are outlined on the following page. Transactions in capital shares for Class C for the period from January 1, 1999 through April 16, 1999 and for the year ended December 31, 1998 are also outlined on the following page.

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<TABLE>

<CAPTION>

(ALL NUMBERS IN THOUSANDS)

TRANSACTIONS IN CAPITAL SHARES

CLASS A	THE CONTRARIAN FUND-TM-				DIVERSIFIED GROWTH FUND				EMERGING GROWTH			
	1/1/98 - 12/31/98		1/1/99 - 6/30/99		1/1/98 - 12/31/98		1/1/99 - 6/30/99		1/1/98 - 12/31/98		1/1/99 - 6/30/99	
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
	SHARES	AMOUNT	SHARES	AMOUNT	SHARES	AMOUNT	SHARES	AMOUNT	SHARES	AMOUNT	SHARES	AMOUNT
Shares Sold	4,353	\$45,839	2,560	\$20,550	10,171	\$146,788	5,438	\$99,816	27,699	\$547,574	37,299	\$1,080,688
Shares Reinvested	1,248	8,922	-	-	110	1,563	-	-	665	13,368	-	-
Shares Redeemed	(22,667)	(222,337)	(5,208)	(40,435)	(11,654)	(167,133)	(5,493)	(97,793)	(24,081)	(475,458)	(25,538)	(732,253)
Net Increase/ (Decrease)	(17,066)	(167,576)	(2,648)	(19,885)	(1,373)	(18,782)	(55)	2,023	4,283	85,484	11,761	348,435

  

CLASS C	1/1/98 - 12/31/98		1/1/99 - 4/16/99**		1/1/98 - 12/31/98		1/1/99 - 4/16/99**		1/1/98 - 12/31/98		1/1/99 - 4/16/99**	
	SHARES	AMOUNT	SHARES	AMOUNT	SHARES	AMOUNT	SHARES	AMOUNT	SHARES	AMOUNT	SHARES	AMOUNT
Shares Sold	115	\$1,118	-	\$-	49	\$694	1	\$26	51	\$1,021	10	\$228
Shares Reinvested	6	42	-	-	2	21	-	-	2	35	-	-
Shares Redeemed	(391)	(3,559)	(81)	(636)	(4)	(54)	(75)	(1,399)	(20)	(367)	(61)	(1,761)
Net Increase/ (Decrease)	(270)	(2,399)	(81)	(636)	47	661	(74)	(1,373)	33	689	(51)	(1,533)

</TABLE>

<TABLE>

<CAPTION>

CLASS A	GLOBAL NATURAL RESOURCES				GLOBAL VALUE				THE INFORMATION AGE FUND-TM-			
	1/1/98 - 12/31/98		1/1/99 - 6/30/99		1/1/98 - 12/31/98		1/1/99 - 6/30/99		1/1/98 - 12/31/98		1/1/99 - 6/30/99	
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
	SHARES	AMOUNT	SHARES	AMOUNT	SHARES	AMOUNT	SHARES	AMOUNT	SHARES	AMOUNT	SHARES	AMOUNT
Shares Sold	2,776	\$29,887	3,230	\$27,060	535	\$6,360	298	\$2,742	22,520	\$304,952	10,819	\$219,383
Shares Reinvested	81	615	-	-	264	2,352	-	-	-	-	-	-
Shares Redeemed	(6,428)	(67,134)	(2,911)	(23,935)	(1,769)	(20,777)	(492)	(4,397)	(23,704)	(316,347)	(11,591)	(233,301)
Net Increase/ (Decrease)	(3,571)	(36,632)	319	3,125	(970)	(12,065)	(194)	(1,655)	(1,184)	(11,395)	(772)	(13,918)

  

CLASS C	1/1/98 - 12/31/98		1/1/99 - 4/16/99**		1/1/98 - 12/31/98		1/1/99 - 4/16/99**		1/1/98 - 12/31/98		1/1/99 - 4/16/99**	
	SHARES	AMOUNT	SHARES	AMOUNT	SHARES	AMOUNT	SHARES	AMOUNT	SHARES	AMOUNT	SHARES	AMOUNT



Shares Sold	2	\$20	-	\$ -	24	\$279	-	\$5	22	\$277	4	\$71
Shares Reinvested	-	-	-	-	11	98	-	-	-	-	-	-
Shares Redeemed	-	-	(4)	(35)	(10)	(117)	(42)	(365)	(21)	(291)	(12)	(228)
Net Increase/ (Decrease)	2	20	(4)	(35)	25	260	(42)	(360)	1	(14)	(8)	(157)

<TABLE>  
<CAPTION>

CLASS A	MICROCAP GROWTH				MIDCAP OPPORTUNITIES				PARTNERS			
	1/1/98 - 12/31/98	1/1/99 - 6/30/99	1/1/98 - 12/31/98	1/1/99 - 6/30/99	1/1/98 - 12/31/98	1/1/99 - 4/16/99**	1/1/98 - 12/31/98	1/1/99 - 4/16/99**	1/1/98 - 12/31/98	1/1/99 - 4/16/99**	1/1/98 - 12/31/98	1/1/99 - 4/16/99**
<S>	<C>		<C>		<C>		<C>		<C>		<C>	
	SHARES	AMOUNT	SHARES	AMOUNT	SHARES	AMOUNT	SHARES	AMOUNT	SHARES	AMOUNT	SHARES	AMOUNT
Shares Sold	14,939	\$213,493	5,232	\$79,326	7,689	\$105,065	4,665	\$71,297	3,638	\$56,348	1,599	\$18,667
Shares Reinvested	-	-	-	-	931	11,976	-	-	263	3,912	-	-
Shares Issued*	-	-	-	-	-	-	-	-	310	4,608	-	-
Shares Redeemed	(15,604)	(223,561)	(6,823)	(101,375)	(17,613)	(240,743)	(6,423)	(96,877)	(11,828)	(178,562)	(3,108)	(35,955)
Net Increase/ (Decrease)	(665)	(10,068)	(1,591)	(22,049)	(8,993)	(123,702)	(1,758)	(25,580)	(7,617)	(113,694)	(1,509)	(17,288)
CLASS C	1/1/98 - 12/31/98	1/1/99 - 4/16/99**	1/1/98 - 12/31/98	1/1/99 - 4/16/99**	1/1/98 - 12/31/98	1/1/99 - 4/16/99**	1/1/98 - 12/31/98	1/1/99 - 4/16/99**	1/1/98 - 12/31/98	1/1/99 - 4/16/99**	1/1/98 - 12/31/98	1/1/99 - 4/16/99**
	SHARES	AMOUNT	SHARES	AMOUNT	SHARES	AMOUNT	SHARES	AMOUNT	SHARES	AMOUNT	SHARES	AMOUNT
Shares Sold	37	\$584	1	\$19	88	\$1,152	3	\$46	2	\$25	-	\$ -
Shares Reinvested	-	-	-	-	11	135	-	-	1	14	-	-
Shares Issued*	-	-	-	-	-	-	-	-	3	37	-	-
Shares Redeemed	(95)	(1,243)	(42)	(607)	(36)	(482)	(169)	(2,551)	(54)	(804)	(12)	(134)
Net Increase/ (Decrease)	(58)	(659)	(41)	(588)	63	805	(166)	(2,505)	(48)	(728)	(12)	(134)

<TABLE>  
<CAPTION>

CLASS A	VALUE + GROWTH			
	1/1/98 - 12/31/98	1/1/99 - 6/30/99	1/1/98 - 12/31/98	1/1/99 - 6/30/99
<S>	<C>		<C>	
	SHARES	AMOUNT	SHARES	AMOUNT
Shares Sold	9,535	\$243,579	4,545	\$126,725
Shares Reinvested	3,151	75,308	-	-
Shares Redeemed	(19,034)	(480,538)	(7,705)	(214,436)
Net Increase/ (Decrease)	(6,348)	(161,651)	(3,160)	(87,711)

<CAPTION>

CLASS C	VALUE + GROWTH			
	1/1/98 - 12/31/98	1/1/99 - 4/16/99**	1/1/98 - 12/31/98	1/1/99 - 4/16/99**
<S>	<C>		<C>	
	SHARES	AMOUNT	SHARES	AMOUNT
Shares Sold	22	\$531	1	\$16
Shares Reinvested	8	185	-	-
Shares Redeemed	(21)	(496)	(64)	(1,711)
Net Increase/ (Decrease)	9	220	(63)	(1,695)

</TABLE>

\* Shares issued in connection with tax-free merger  
\*\* Effective April 16, 1999, the Funds liquidated Class C shares

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RS FUNDS

NOTE 3 TRANSACTIONS WITH AFFILIATES:

a. ADVISORY FEES AND EXPENSE LIMITATION:

Under the terms of advisory agreements, which are reviewed and approved annually by the Board of Trustees, after an initial two-year term, the Funds pay RS Investment Management, L.P. ("RSIM, L.P.") or RS Investment Management, Inc. ("RSIM, Inc.") an investment advisory fee calculated at an annual rate of the average daily net assets of the Funds as disclosed below.

<TABLE>  
<CAPTION>

FUND	INVESTMENT ADVISORY FEES
The Contrarian Fund-TM-	1.50%

Diversified Growth	1.00%
Emerging Growth	1.00%
Global Natural Resources	1.00%
Global Value	1.00%
The Information Age Fund-TM-	1.00%
MicroCap Growth	1.25%
MidCap Opportunities	1.00%
Partners	1.25%
Value + Growth	1.00%

</TABLE>

RSIM, L.P. and RSIM, Inc. may voluntarily agree to waive any annual operating expenses, excluding interest, taxes, deferred organizational and extraordinary expenses, and dividend expenses related to short sales, of the Funds exceeding the annual expense ratio of any Fund.

RSIM, L.P. and RSIM, Inc. may recoup waived or reimbursed operating expenses over the succeeding two years, subject to expense limitations then applicable to the Funds.

During the period ended June 30, 1999, RSIM, L.P. and RSIM, Inc. recouped the following amounts:

<TABLE>

<CAPTION>

FUND

<S>	<C>
The Contrarian Fund-TM-	-
Diversified Growth	60,668
Emerging Growth	-
Global Natural Resources	66,225
Global Value	12,669
The Information Age Fund-TM-	-
MicroCap Growth	13,464
MidCap Opportunities	-
Partners	-
Value + Growth	-

</TABLE>

At June 30, 1999, the balance of recoupable expenses for each fund was:

<TABLE>

<CAPTION>

FUND	1997	1998	1999	TOTAL
<S>	<C>	<C>	<C>	<C>
The Contrarian Fund-TM-	-	-	-	-
Diversified Growth	65,809	46,618	-	112,427
Emerging Growth	-	-	-	-
Global Natural Resources	-	75,484	-	75,484
Global Value	151,029	175,876	-	326,905
The Information Age Fund-TM-	-	-	-	-
MicroCap Growth	260,588	104,172	-	364,760
MidCap Opportunities	1,235,367	853,895	120,329	2,209,591
Partners	1,746	236,741	165,204	403,691
Value + Growth	-	-	-	-

</TABLE>

At June 30, 1999, affiliates of the Funds held 26.28% of Global Value's total outstanding shares for a total of 189,638 shares with a value of \$1,778,808.

b. COMPENSATION OF TRUSTEES AND OFFICERS:

Trustees and officers of the Funds who are affiliated persons receive no compensation from the Funds. Trustees of the Funds who are not interested persons of the Trust, as defined in the 1940 Act, did collectively receive compensation and reimbursement of expenses for the period ended June 30, 1999.

c. DISTRIBUTION FEES:

Provident Distributors, Inc. ("Provident"), a non-affiliate, has been designated as the Funds' distributor, as of 12/31/98. Prior to such date, Edgewood Services, Inc., also a non-affiliate, was the Funds' distributor.

The Funds have entered into agreements with Provident for distribution services with respect to its shares and adopted Plans of Distribution pursuant to Rule 12b-1 under the 1940 Act, where continuance is reviewed annually by the Funds' Board of Trustees. Under these Plans, Provident is compensated for services in such capacity including its expenses in connection with the promotion and distribution of the Funds. RSIM, L.P. and RSIM, Inc. or its affiliates provide certain services to Provident in respect of the promotion of the Funds' shares

and are compensated by Provident for those services. The distribution fees are calculated at annual rates based on the average daily net assets for each Fund. The following chart details the rate at which each fund paid fees under the plans (calculated as a percentage of the average daily net assets).

<TABLE>  
<CAPTION>

FUND	12b-1 FEE
The Contrarian Fund-TM-	0.25%
Diversified Growth	0.25%
Emerging Growth	0.25%
Global Natural Resources	0.25%
Global Value	0.25%
The Information Age Fund-TM-	0.25%
MicroCap Growth	0.25%
MidCap Opportunities	0.25%
Partners	0.25%
Value + Growth	0.25%

</TABLE>

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COST OF INVESTMENTS AND PROCEEDS FROM SECURITIES SOLD SHORT (SEE NOTE 4a BELOW)

<TABLE>  
<CAPTION>

FUND	COST OF INVESTMENTS/ PROCEEDS OF SECURITIES SOLD SHORT	ACCUMULATED UNREALIZED APPRECIATION/DEPRECIATION ON INVESTMENTS AND SECURITIES SOLD SHORT	GROSS UNREALIZED APPRECIATION	GROSS UNREALIZED DEPRECIATION
The Contrarian Fund-TM-	\$169,231,710	\$(69,353,432)	\$43,580,332	\$112,933,764
Diversified Growth	78,234,515	18,664,338	21,923,417	3,259,079
Emerging Growth	779,446,937	231,836,491	253,406,933	21,570,442
Global Natural Resources	32,717,633	2,140,695	5,952,227	3,811,532
Global Value	5,514,858	872,654	1,025,660	153,006
The Information Age Fund-TM-	122,600,613	68,546,798	69,842,744	1,295,946
MicroCap Growth	62,981,542	23,133,922	30,274,974	7,141,052
MidCap Opportunities	170,035,053	27,605,610	37,787,465	10,181,855
Partners	33,309,213	(234,147)	3,973,834	4,207,981
Value + Growth	427,725,974	242,662,502	243,874,940	1,212,438

</TABLE>

NOTE 4 INVESTMENTS:

a. TAX BASIS OF INVESTMENTS:

The cost of investments purchased and proceeds of securities sold short for federal income tax purposes at June 30, 1999, for each Fund is listed above. The net unrealized appreciation/depreciation on investments and securities sold short which consists of gross unrealized appreciation and depreciation are also disclosed in the chart above.

b. INVESTMENT PURCHASES AND SALES:

The cost of investments purchased and the proceeds from investments sold (excluding options, securities sold short and short-term investments) for the period ended June 30, 1999, were as follows:

<TABLE>  
<CAPTION>

FUND	COST OF INVESTMENTS PURCHASED	PROCEEDS FROM INVESTMENTS SOLD
The Contrarian Fund-TM-	62,834,274	62,429,087
Diversified Growth	220,422,320	221,052,711
Emerging Growth	1,057,459,331	723,805,056
Global Natural Resources	22,452,066	18,834,489
Global Value	5,078,729	7,456,499
The Information Age Fund-TM-	258,836,416	254,175,291
MicroCap Growth	35,427,840	61,968,090
MidCap Opportunities	404,381,489	426,845,615
Partners	16,047,044	34,285,275
Value + Growth	347,704,199	449,957,497

</TABLE>

c. FOREIGN SECURITIES:

Foreign securities investments involve special risks and considerations not typically associated with those of U.S. origin. These risks include, but are not limited to, revaluation of currencies, adverse political, social, and economic developments, and less reliable information about issuers. Moreover, securities of many foreign companies and markets may be less liquid and their prices more volatile than those of U.S. companies and markets.

d. SHORT SALES:

Short sales are transactions in which a fund sells a security it does not own, in anticipation of a decline in the market value of that security. To complete such a transaction, the Fund must borrow the security to deliver to the buyer upon the short sale; the Fund then is obligated to replace the security borrowed by purchasing it in the open market at some later date. The following Funds may sell securities short: The Contrarian Fund-TM-, Global Natural Resources, MicroCap Growth and Value + Growth. The Funds will incur a loss if the market price of the security increases between the date of the short sale and the date on which the Funds replace the borrowed security. The Funds will typically realize a gain if the security declines in value between those dates. All short sales must be fully collateralized. The Funds maintain their collateral in a segregated account consisting of cash, equities, and/or U.S. government securities sufficient to collateralize the obligation on the short positions. The Funds may also sell short "against the box" (i.e., the Funds enter into a short sale as described above while holding an offsetting long position in the security which is sold short). If the Funds enter into a short sale against the box, they will hold an equivalent amount of the securities to cover their position while the short sale is outstanding. The Funds limit the value of short sale positions (excluding short sales against the box) to 25% (The Contrarian Fund-TM- is allowed up to 40%) of the Fund's total assets in short positions. For the six months ended June 30, 1999, the cost of investments purchased to cover short sales and proceeds from investments sold short were as follows:

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RS FUNDS

<TABLE>  
<CAPTION>

FUND	COST OF INVESTMENTS PURCHASED TO COVER SHORT SELLS	PROCEEDS FROM INVESTMENTS SOLD SHORT
The Contrarian Fund-TM-	35,023,840	36,776,798
Diversified Growth	12,133,431	9,366,188
Emerging Growth	-	-
Global Natural Resources	-	-
Global Value	-	-
The Information Age Fund-TM-	-	-
MicroCap Growth	-	-
MidCap Opportunities	5,771,515	7,038,836
Partners	-	-
Value + Growth	-	-

</TABLE>

e. RESTRICTED SECURITIES:

A restricted security cannot be resold to the general public without prior registration under the Securities Act of 1933. If the security is subsequently reregistered and resold, the issuers would bear the expense of all registrations at no cost to the Fund. Restricted securities are valued according to the guidelines and procedures adopted by the Funds' Board of Trustees as outlined in Note 1.a., paragraph 2. See detail of transactions in restricted securities below.

f. OPTIONS AND WARRANTS:

Options and warrants normally entitle the holder to purchase a proportionate amount of a particular class of the issuer's securities at a predetermined price during a specific period. When a fund is the writer of index or security options, the writer of the option grants the buyer of the option the right to purchase from (call option), or sell to (put option), the writer a designated instrument at a specified price within a specified period of time. Certain options, including options on indices, will require cash settlement by the Fund if the option is exercised.

DIVERSIFIED GROWTH: WRITTEN OPTIONS

Transactions in written options for the six months ended June 30, 1999 were as follows:

<TABLE>  
<CAPTION>

	AMOUNT OF PREMIUMS	NUMBER OF CONTRACTS OPTIONED
<S>	<C>	<C>
Outstanding at 12/31/98	\$ 125,946	100.00
Options written	5,877,554	6,400.00
Options expired	(655,428)	(1,100.00)
Options exercised	-	-
Options closed	(5,191,197)	(5,200.00)
Outstanding at 6/30/99	\$ 156,875	200.00

</TABLE>

MIDCAP OPPORTUNITIES: WRITTEN OPTIONS

Transactions in written options for the six months ended June 30, 1999 were as follows:

<TABLE>  
<CAPTION>

	AMOUNT OF PREMIUMS	NUMBER OF CONTRACTS OPTIONED
<S>	<C>	<C>
Outstanding at 12/31/98	\$ 188,919	150.00
Options written	2,633,547	3500.00
Options expired	(391,162)	(650.00)
Options exercised	-	-
Options closed	(2,289,179)	(2800.00)
Outstanding at 6/30/99	\$ 142,125	200.00

</TABLE>

<TABLE>  
<CAPTION>

RESTRICTED SECURITIES

FUND	SECURITY	SHARES/WARRANTS	COST	VALUE	ACQUISITION DATE	% OF FUNDS' NET ASSETS
<S>	<C>	<C>	<C>	<C>	<C>	<C>
The Contrarian Fund-TM-	African Minerals, Ltd.	698,422	\$2,837,501	\$103,367	4/25/97 - 5/7/98	
			2,837,501	103,367		0.08%
Diversified Growth	New Frontier Media, Inc.	500,000	1,000,000	3,262,500	3/5/99	
	Novavax, Inc.	180,000	417,035	567,000	4/13/99	
	Novavax, Inc., Warrants	40,000	55,440	62,510	4/13/99	
			1,472,475	3,892,010		3.94%
Global Natural Resources	African Minerals, Ltd.	203,624	784,997	30,136	4/25/97 - 5/7/98	
			784,997	30,136		0.09%
MidCap Opportunities	Core Cap, Inc., Class A Common	75,000	1,500,000	1,045,500	10/29/97	
	Core Cap, Inc., Series A Pref	75,000	1,875,000	1,559,250	10/29/97	
			3,375,000	2,604,750		1.32%

</TABLE>

## SEMIANNUAL REPORT

## ADMINISTRATION

## OFFICERS AND TRUSTEES

G. Randall Hecht, Trustee  
President

Leonard B. Auerbach, Trustee  
President and CEO, Center Capital  
Group, Inc. (an AIG member company)

John W. Glynn, Jr., Trustee  
Principal and Chairman of  
Glynn Capital Management

James K. Peterson, Trustee  
Former Director of Investment Man-  
agement of the IBM Retirement Funds

Steven M. Cohen  
Treasurer

Suzanne M. DuFrane  
Secretary

## INVESTMENT ADVISER

RS Investment Management, L.P.  
388 Market Street, Suite 200  
San Francisco, CA 94111

RS Investment Management, Inc.  
(Emerging Growth Fund)  
40 Tower Lane, Avon Park South  
Avon, Connecticut 06011

## DISTRIBUTOR

Provident Distributors, Inc.  
Four Falls Corporate Center, 6th Floor  
West Conshohocken, PA

## TRANSFER AGENT AND DISBURSING AGENT

State Street Bank & Trust Company  
c/o National Financial Data Services  
Kansas City, MO  
1-800-624-8025

## CUSTODIAN

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Wilmington, DE

## INDEPENDENT ACCOUNTANTS

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San Francisco, CA

## LEGAL COUNSEL

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Boston, MA

This report is submitted for the

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#### RS FUNDS

##### GROWTH

Diversified Growth Fund  
FOCUSING ON SMALL-CAP COMPANIES  
Managed by John Wallace  
and John Seabern.

The computer quotation symbol is RSDGX.

Emerging Growth Fund  
SEEKING TO INVEST IN AMERICA'S  
MOST DYNAMIC, GROWTH-  
ORIENTED COMPANIES  
Managed by Jim Callinan.

The computer quotation symbol is  
RSEGX.

The Information Age Fund-TM-  
TARGETING INVESTMENTS IN THE  
INFORMATION TECHNOLOGY SECTOR  
Managed by Ron Elijah and  
Rod Berry

The computer quotation symbol is RSIFX.

MicroCap Growth Fund  
FOCUSING ON COMPANIES WITH MARKET  
CAPS OF \$500 MILLION OR LESS  
Managed by Dave Evans  
and Rainerio Reyes.

The computer quotation symbol is RSMGX.

MidCap Opportunities Fund  
SEEKING GROWTH IN MID-CAP  
COMPANIES WHILE ATTEMPTING TO MODERATE RISK  
Managed by John Wallace.

The computer quotation symbol is RSMOX.

Value + Growth Fund  
A FUND SEEKING CAPITAL APPRECIATION  
FOR THE LONG-TERM INVESTOR  
Managed by Ron Elijah.

The computer quotation symbol is RSVPX.

##### VALUE

The Contrarian Fund-TM-  
SEEKING OUT OF FAVOR INVESTMENTS  
AND SHORTING OVERVALUED STOCKS  
Managed by a team of investment  
professionals at RS Investment  
Management.

The computer quotation symbol is  
RSCOX.

Global Natural Resources Fund  
PRIMARILY FOCUSING ON HARD ASSET  
COMPANIES  
Managed by Andy Pilara.

The computer quotation symbol is  
RSNRX.

Global Value Fund  
SEEKING UNDERVALUED INVESTMENTS  
WORLDWIDE  
Managed by Andy Pilara.

The computer quotation symbol is  
RSGAX.

Partners Fund  
A SMALL-CAP FUND USING A CASH  
FLOW VALUE METHODOLOGY  
Managed by Andy Pilara.

The computer quotation symbol is  
RSFPX.

Please read the prospectus to  
learn about the Funds'  
objectives, investment policies,  
and the special risks associated  
with the RS Funds, including  
international investing,  
investing in smaller companies,  
investing in a more limited  
number of issuers and sectors or  
a particular sector, short  
selling, using options and  
futures, and investing in  
high-yielding, lower-quality  
debt securities.

#### FUND LISTINGS

Our Funds are listed in THE WALL  
STREET JOURNAL, USA TODAY,  
INVESTOR'S BUSINESS DAILY, and  
most local newspapers under the  
heading RS Funds.

[LOGO]  
RS INVESTMENT  
MANAGEMENT

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